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FIVE-YEAR PLAN WORKSHOP
STATE OF CALIFORNIA
INTEGRATED WASTE MANAGEMENT BOARD

JOE SERNA, JR., CALEPA BUILDING
1001 I STREET
2ND FLOOR
COASTAL HEARING ROOM
SACRAMENTO, CALIFORNIA

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PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

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Mr. Mitch Delmage, Manager, Tire Management Branch

Ms. Sally French, Staff

Mr. Bob Fujii, Supervisor, Remediation & Engineering
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Mr. Albert Johnson, Staff

Mr. Jim Lee, Deputy Director, Special Waste Division

Mr. Paulino Luna, Staff

Ms. Diane Nordstrom-Lamkin, Staff

Ms. Stacey Patenaude, Staff

Mr. Frank Simpson, Supervisor, Product Promotion &
Assistance Section

Ms. Georgianne Turner, Supervisor, Enforcement &
Permitting Section (North)

ALSO PRESENT

Mr. Michael Blumenthal, Rubber Manufacturers Association

Mr. Ed Boisen, RW Beck

Mr. Terry Leveille, TL & Associates

Mr. Scott Smithline, Californians Against Waste

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1 PROCEEDINGS

2 DEPUTY DIRECTOR LEE: Good morning, all. Can I
3 have your attention, please? Go ahead and get started
4 this morning. I want to thank you all for coming. My
5 name is Jim Lee. I'm the Deputy Director for the Special
6 Waste Division.

7 This is the inaugural or kick-off meeting for the
8 biennial revision of the Five-Year Waste Tire Management
9 Plan. It was only 16 months ago in May 2005 that we
10 concluded the last revision of the Five-Year Plan. We now
11 embark on the next update cycle. Our plans are to hold a
12 series of public workshops to elicit input from
13 stakeholders and interested parties.

14 The first meeting is here today in Sacramento.
15 The second will be in Diamond Bar on October the 24th.
16 There will be two additional meetings to be held under the
17 osmosis of the Special Waste Committee, which are
18 scheduled for January and March, with specific dates to be
19 announced in the near future. The process is expected to
20 conclude with a draft plan proposed for adoption by the
21 Board in May of next year.

22 I want to talk a little today about the format
23 for today's meeting and the meeting in Diamond Bar on the
24 24th. Staff will present overviews of the elements of the
25 current Five-Year Plan which will be a foundation for

1 today's discussion. The five elements are: Enforcement,
2 cleanup and abatement, research, market development, and
3 the waste tire hauler and manifest program.

4 At the conclusion of each element, public comment
5 will be solicited. Public input received will be
6 considered and reflected in a draft document which will be
7 made available before the January meeting.

8 The last Five-Year Plan adopted in May 2005 was
9 characterized by a commitment to complete the remediation
10 of the Tracy tire fire site. Indeed, residual waste and
11 soil contamination has been removed earlier this year.

12 The plan also discussed the need to clean up the
13 Sonoma tire sites, the largest known remaining tire piles
14 in the state. Five of the eight identified sites have
15 been remediated with over 90 percent of the waste tires
16 located there removed and disposed of.

17 The plan was also characterized by an affirmation
18 of support from an enhanced waste tire enforcement effort
19 and implementation of a revised Waste Tire Manifest
20 System. Participation of local jurisdictions in the
21 Board's Waste Tire Enforcement Program covering most of
22 the state has been secured.

23 A comprehensive Trip Log Manifest Program with
24 provision for electronic data processing has been
25 instituted, significantly decreasing cost and

1 administrative burden on manifesting efforts by the
2 regulated community and Board staff.

3 The plan was also characterized by a refocused
4 effort on rubberized asphalt concrete, civil engineering
5 uses of tires, and a revamped Business Assistance Program
6 which staff and the Board concluded were the best
7 available methods for substantively and cost effectively
8 increasing the recycling and diversion of waste tires.

9 Now I want to mention a couple of financial
10 issues that will effect funds available for this and
11 future years. Our available revenue for 2006-07 and
12 2007-08 will be augmented by an additional \$5 million made
13 available through a BCP for RAC and civil engineering uses
14 of tires. Also, trailer bill language to this year's
15 Budget Act will maintain the portion of the waste tire fee
16 going to support the Board's Tire Program at one dollar,
17 instead of dropping it to 75 cents at the end of this
18 year. That will mean we will be able to maintain the
19 existing level of service without a scale back of
20 activities which would have otherwise been necessary.

21 In conclusion, we want to solicit your comments
22 today on the success or lack of same of our efforts to
23 date that I've discussed this morning. We want to hear
24 from you if we are on the right track or if we need to
25 move in a new direction. We want to hear from you if you

1 have other ideas which you feel are better.

2 I want to thank you for your attention this
3 morning, and I'll turn the program back over to Mitch for
4 the rest of the staff's presentation.

5 BRANCH MANAGER DELMAGE: Good morning. Mitch
6 Delmage, Branch Manager for the Tire Program.

7 Before we begin into the second item on the
8 agenda, I wanted to offer time up to any of our visitors
9 that had any issues or concerns or questions before we.

10 Okay. Then I'd like to introduce Georgianne
11 Turner, the Chief of our Enforcement Section. And she's
12 going to go over the element enforcement regulations
13 related to the storage of waste and used tires.

14 SUPERVISOR TURNER: Good morning.

15 I think most of you here are aware of quite a bit
16 of our program, but I'll go over it briefly so we'll have
17 points of discussion.

18 The main goal of our program is to reduce and to
19 the extent possible eliminate the illegal disposal and
20 storage of waste tires, which have the potential to cause
21 public health and environmental concerns usually in the
22 form of a tire fire and/or the breeding of
23 disease-spreading vectors.

24 We approach this goal from several different
25 angles as we have outlined it in the Five-Year Plan. And

1 I'll outline those real quick so you can just bring it up
2 in your memory. One is the staff and administration,
3 surveillance and enforcement assistance, the CDAA
4 enforcement case assistance, local government waste tire
5 enforcement grants, and our database development.

6 The first of these is the staff administration
7 and the Waste Tire Grant Programs that I'll discuss. And
8 this is so that we can maintain a strong and uniform
9 inspection enforcement program at the State and the local
10 level. This is done through our staff in the field and
11 through the Waste Tire Enforcement Grant Program. These
12 functions are currently supported by \$1.7 million for
13 staff allocations for approximately 13 staff and two legal
14 staff and \$6 million for local governments. These two
15 programs work hand in hand to inspect waste tire
16 businesses, educate the community about the waste tire
17 regulations, and obtain compliance by issuing enforcement
18 orders for non-complying businesses.

19 The Board staff are responsible for helping grow,
20 support, train, and monitor the performance of waste tire
21 enforcement grantees who carry out the initial inspections
22 and issue the initial Notice of Violations to
23 non-complying businesses.

24 We also support the grantee in their duties to
25 educate businesses and their community about the hazards

1 of illegal storage tire piles and on conducting
2 surveillance activities to stop illegal hauling and
3 dumping at the local level.

4 Board staff are also responsible for conducting
5 inspections and surveillance activities in jurisdictions
6 where there are no local grantees. They issue permits to
7 waste tire facilities throughout the state and conduct
8 enforcement activities where locals cannot obtain
9 compliance at the Notice of Violation stage. This
10 provides a uniform approach to enforcement. These
11 enforcement efforts which include Notice of Violations,
12 Cleanup and Abatement Orders, administrative complaints,
13 referrals to local district attorney's offices, and
14 referrals to the State Attorney General's office, have
15 resulted in the operators and property owners cleaning up
16 over six million tires. We also administer supporting
17 contracts which I'll discuss later.

18 Participation in the Waste Tire Enforcement
19 Program continues to increase from its low with
20 approximately 18 different agencies only funded between
21 1997 and 2001 with a program budget of approximately
22 500,000 to during the fiscal year 2002/2003 we allocated
23 \$4 million for this program and received 24 applicants
24 awarding over \$3.7 million. Two years later, the program
25 grew to 38 applicants and funding over \$5 million.

1 As of the last grant cycle, fiscal year
2 2005/2006, 79 percent of the State's businesses are
3 covered by grantees. Inspections have increased to over
4 7500 inspections per year from 1,400 in 2002/2003. Out of
5 the 27,000 waste tire businesses listed in our database,
6 46 percent of them have been inspected by either Board
7 staff or grantees in the last two years.

8 Other programs in this element include
9 Surveillance and Enforcement Assistance Program, the CDAA
10 Assistance Program, and our database development efforts.
11 Although these programs are smaller in our budget, they
12 are very important to the program because they provide
13 invaluable support and enforcement follow-up to inspectors
14 and grantees as well as other programs.

15 The Surveillance and Enforcement Assistance
16 Program consists of a satellite imagery contract, an ARB
17 camera support agreement, and the CHP contract. They all
18 assist staff in the following ways: To identify illegal
19 tire piles that pose a public health and environmental
20 threat; assist in gathering evidence on illegal haulers
21 and illegal storage sites; provide security from staff
22 inspecting and/or cleaning up sites or staff has been
23 threatened or there's a possible threat. They provide
24 legal service when we are unsuccessful. Provide training
25 to other CHP officers and other local enforcement officers

1 on the waste tire hauler regulations and Vehicle Code
2 violations. And they also provide vehicle checkpoints
3 throughout the state for educational and enforcement
4 purposes. The CHP and the satellite imagery efforts also
5 support work that the branch has been doing at the Mexican
6 border. Mitch will discuss these aspects of this element
7 later when he talks about the border effort as a whole.

8 The California District Attorneys' Association
9 Assistance Program assists us even though the Board's
10 Legal office normally prosecutes administrative
11 enforcement penalty actions to ensure uniformity of
12 enforcement and to expedite the processes. There are
13 certain cases such as multi-media cases that can be more
14 effectively handled at the local district attorney's
15 office. The California District Attorney Association
16 assists rural jurisdictions in taking egregious waste tire
17 cases. CDAA also provides training to our staff and
18 grantees and conducts investigations when pursuing
19 criminal or civil actions.

20 Lastly, the database development effort. The
21 first basic stages of the waste tire management system
22 database are complete. We currently have a database that
23 manages all waste tire businesses, their basic business
24 information, their hauler registration information,
25 manifests, inspections, complaints, and enforcement

1 actions.

2 Additional work that needs to be done includes
3 expanding reporting capabilities, expanding the
4 enforcement tracking module to include the Legal office's
5 needs, incorporating the CHP fly over and satellite
6 imagery information, developing a module to manage
7 remediation and local cleanup program information, and to
8 finish up developing the permit module.

9 Lastly, although we have discussed the
10 enforcement element as a separate function, it is
11 important to acknowledge these elements support and
12 closely coordinate and work with the Waste Tire Cleanup
13 and Amnesty Day Program, the Board-Managed Cleanup
14 Program, the Mexican border issues discussed in several
15 elements, and most importantly, our link to the Waste Tire
16 Hauler and Manifest Program, which Keith will be
17 discussing shortly.

18 That's it.

19 BRANCH MANAGER DELMAGE: Any questions on
20 enforcement?

21 MS. FRENCH: We have one speaker, Terry Leveille.

22 MR. LEVEILLE: Hello. Terry Leveille here for TL
23 and Associates representing the California Tire Dealers
24 Associations northern and southern California. And I'll
25 be commenting on a couple of different of the items

1 throughout the day.

2 But on this first one, the enforcement and
3 regulations, we understand the genesis and the importance
4 of SB 876, Marta Escutia's bill in 2000, which increased
5 the tire fee from 25 cents to a dollar for the Waste
6 Board's Tire Programs. And the genesis of course came out
7 of the tire fires at Westley and Tracy. But a number of
8 the programs that were encapsulated in that legislation
9 were ones that the Tire Dealers Association felt that were
10 absolutely critical to the State. And since they are the
11 ones that collect the tire fee from customers, one of
12 those critical ones is in the enforcement and regulatory
13 arena. They want to prevent the build-up of tire piles --
14 illegal tire piles in the future. And they see this
15 section in the programs that the Waste Board offers for
16 tire recycling and diversion from landfills, this program
17 is one that should maintain itself.

18 And we see no problem with the commitments of
19 energy and money for the various programs that you've got
20 here, particularly the Local Government Waste Tire
21 Enforcement Grants, which we think are certainly a
22 critical step in helping the State move away from
23 overseeing that type of inspection and pushing it down on
24 the local level.

25 We still have a problem, and I'll raise this over

1 and over again today, about the cost of staffing and
2 administration. The intent of the legislation in 2000 was
3 that the staffing for the Tire Program be at 5 percent of
4 the amount collected under the Tire Fund. We see it right
5 now as around 15 percent, which is legal because it said 5
6 percent -- in the legislation it said 5 percent or
7 whatever the Legislature agrees to and the Governor signs
8 in the budget bill. So we can understand that it might be
9 more than 5 percent. But we would still like to see some
10 reductions on the administrative level, the staffing of
11 these types of programs.

12 We're also particularly concerned about the
13 upcoming reorganization of the Waste Board and concerned
14 that some of those people in the enforcement and
15 regulatory arena may be called upon to deal with other
16 areas of the California Integrated Waste Programs that
17 aren't focused on tires. And we don't know yet how that
18 will work. But we would certainly be concerned if a Tire
19 Program staff person that is now dealing solely with the
20 regulation and the enforcement of the tire storage rules
21 all of a sudden has half of his or her job dealing with
22 other areas not related to tires. And I know we don't
23 know how that's going to come out, but that's a concern we
24 want to raise today.

25 And this is going to be throughout the day in all

1 the other program areas, our concern about the potential
2 dissolution of Tire Program staff to other areas at the
3 same time when the Tire Fund might pay their salaries and
4 benefits. Thank you.

5 BRANCH MANAGER DELMAGE: Thank you, Terry.
6 Scott.

7 MR. SMITHLINE: Hi. I'm Scott Smithline with
8 Californians Against Waste.

9 I apologize if this was answered before I came
10 in. Is there a tracking mechanism or do we have a sense
11 of the effectiveness of these enforcement dollar
12 particularly the grants to local governments? We've been
13 doing it for some years now, and I'm just wondering is
14 there some way of assessing how effective those dollars
15 have been? Is there a reduction in something, or is there
16 an increase in something, or how are we following that?

17 SUPERVISOR TURNER: You know, I don't have
18 numbers in front of me, but I can tell you that what we
19 have seen is a lot of violations are being resolved at the
20 Notice of Violation level, which is -- and that has
21 increased over time. And what that tells me is that
22 because local governments have a little bit more time,
23 they're being able to achieve compliance at a much more
24 effective level. It's very costly to have to go to --
25 each level of enforcement costs more money because you

1 have to do more staff time. So, you know, for example, I
2 think last year we had 600 Notices of Violation. And I
3 think we only ended up with like twelve Cleanup and
4 Abatement Orders, which means a high percentage of these
5 sites are getting taken care of and coming into compliance
6 at the Notice of Violation stage, which I see is very cost
7 effective. That was one example I can give you.

8 MR. SMITHLINE: And just as a follow-up, are
9 these jurisdictions reporting back with detailed
10 itemization of how they're spending the money and the
11 results they're getting?

12 SUPERVISOR TURNER: Yes. I'm actually willing to
13 talk to you in more depth about this if you want. But
14 yes. They're required to tell us, you know, the number of
15 inspections that they do, the number of re-inspections
16 they do, the violations they find. The budgets are set up
17 in several different elements. There's an inspection
18 element, an enforcement and surveillance element, an
19 education and public outreach element, a training, a
20 grantee training element. So a portion of their funds go
21 to then continually getting trained by us. And then
22 there's a small portion that is allowed for equipment.
23 We've limited that to 20 percent so people aren't taking
24 advantage of it. We've set caps on the inspection costs,
25 which can be still high, but there is a cap. And they

1 have to justify that. They can only charge us for \$125 an
2 hour, and an inspection can't take any longer than a
3 four-hour period. And generally they don't.

4 So they report back on all of that. And if
5 they're not maintaining what we think is an effective
6 enforcement program, then we intervene.

7 BRANCH MANAGER DELMAGE: Scott, I'd like to add
8 to that. This program in particular I'm very proud of the
9 way that staff has overseen this and has made sure that
10 our grantees are given the tools they need, trained
11 properly, and then the oversight is such that Georgianne
12 alluded to it a little bit. But if they're not doing
13 their job, we don't recommend them for a grant the
14 following year. You see very few grant programs that are
15 this attentive to their grantees. So I have a high level
16 of confidence that this money is being well spent and
17 we're getting exactly what we expect from the grantees.
18 And it's expanding. So I think it's going quite well.

19 SUPERVISOR TURNER: I think I would like to add
20 one more thing. The Board has allowed us the flexibility
21 when we review budgets to look at what the jurisdiction
22 did the previous year and to use our knowledge of the
23 issues in that particular county to make cuts in budgets.
24 And we do do that. So if you've got like the City of
25 Berkeley trying to charge us for four hours for an

1 inspection, we don't allow that in the budget because we
2 know that's unrealistic. You know, those inspections
3 should be taking about an hour to an hour and a half. And
4 so you know, we cut them back because we know that's
5 realistic. And so I think that's been a huge benefit.
6 We've got that capability and we're using it. And I think
7 it's been an effective program.

8 We are continually evaluating this program
9 though. And when the performance measures come out,
10 you'll see a little bit more about that. So that we're
11 always looking for places where we can be more cost
12 effective. And I think after we get this initial survey
13 of sites done, we'll have a better idea too which sites
14 need to be inspected at what frequency. And that will
15 also save us some -- there will be some cost savings there
16 too.

17 BRANCH MANAGER DELMAGE: Any other questions?

18 All right. Then we will move on to Waste and
19 Used Tire Hauling Program and Manifest System, Keith
20 Cambridge.

21 --o0o--

22 SUPERVISOR CAMBRIDGE: Good morning. The Hauler
23 Registration Program oversees approximately 1,070
24 registered waste tire companies which comprises about 6500
25 vehicles. Any person who transports ten or more waste

1 tires on a public road is required to be registered by the
2 Board as a waste tire hauler unless exempted by statute.

3 The application process to become a waste tire
4 hauler is quite simple. The applicant must complete and
5 submit an application form, or Form 60, listing the
6 business information as well as the vehicles they intend
7 to register and must also turn in \$10,000 surity bond,
8 which is Form 61. Aside from the cost of the bond which
9 is obtained from the insurance carrier, there is no cost
10 to the registration process.

11 The registration period is through the calendar
12 year and expires on December 31st, so the hauler must
13 renew prior to this date or cease hauling of the tires
14 after that time period.

15 In addition to the hauler registration, the
16 program also receives the California Uniform Waste and
17 Used Tire Manifest System. This program involves
18 approximately 16,000 waste tire businesses such as
19 generators, haulers, end-use facilities. For any tire
20 transaction, a waste tire manifest form must be completed
21 showing the point of generation and also the point of
22 destination or disposal.

23 Both the Hauler and Manifest Programs have been
24 established since 1995. However, since that time, the
25 Manifest Program has undergone substantial changes as you

1 might know. The original manifest system revolved only
2 the generator, the hauler, and end-use facility. Copies
3 of the manifest documents were kept between those parties,
4 and the Board did not see any of those documents.

5 In 2003, as required by SB 876, the Board
6 developed the California Uniform Waste Tire Manifest
7 System, which comprised of the manifest form and the tire
8 trip log. Extensive training and materials were provided
9 to the entire regulated community of 16,000 on the
10 manifest system. However, some substantial problems arose
11 with this new system. The regulated community felt this
12 form was very complicated and very time consuming to
13 complete for every tire transaction they performed with
14 very few forms being completed correctly. While on the
15 staff side, we were receiving approximately 5,000 forms
16 per week, which staff and students were required to open,
17 scan, tabulate the information into the Waste Tire
18 Management System. Needless to say, it was a very time
19 consuming process. And in some instances, staff was met
20 with some aggressive actions of the community where the
21 manifest forms were being stapled and taped all around the
22 entire form, making it nearly impossible to open.

23 As the community displeasure grew, staff was
24 requested by the Board to re-examine the forms and develop
25 something a little bit more accommodating where the

1 tracking mechanism and usable information was still being
2 captured but the forms were simpler to complete and less
3 time consuming. Staff developed the comprehensive trip
4 log form which was adopted into regulation in 2005, and
5 this responsibility then fell onto the haulers who would
6 be allowed for a quicker understanding of the form.

7 Once again, the training was offered to the
8 regulated community in July 2005 on the use of these
9 forms. The CTL form which was widely received by the
10 hauler community is simpler to use and less time consuming
11 they felt. In addition, the development of this form has
12 reduced the required volume of paperwork from more than
13 437,000 manifest and trip log forms used in an eight-month
14 time period down to approximately 141,000 CTL forms, which
15 is a reduction of about 67 percent. That includes the 67
16 percent reduction of purchasing, mailing out the forms
17 received by the Board, as well as pre-paid postage that we
18 have to put on the forms.

19 At the same time, staff has been continually
20 striving to place more haulers on our EDT or electronic
21 data transfer system. In 2002, the Board had two larger
22 haulers using EDT. In 2004, we doubled that number to
23 four. And then at the January 2006 Board meeting, I was
24 reporting that we had eight companies using EDT. At this
25 point in time, we now have ten companies using the program

1 and approximately 46 percent of the records submitted in
2 the last six months are from EDT versus paper volume. So
3 it's increasing quite a bit.

4 Staff will continue to make all efforts to get
5 more haulers on board with the EDT system, as there is no
6 paperwork submitted to the Board. There is no printing of
7 forms. The information obtained is more accurate compared
8 to the paper form, which penmanship is still an important
9 factor.

10 The current Hauler and Manifest Program consists
11 of one supervisor and four IWMS positions, one part-time
12 office technician, and eight students. The main function
13 of this program is to process all paperwork associated
14 with the hauler registration on a continual basis, assist
15 the regulated community enforcement agencies and the like
16 who call in on our toll-free number. More than 1,000
17 calls are received each month. Maintain the WTMS
18 complaint system where more than 1500 complaints are
19 entered annually. Program staff issues Letters of
20 Violation to either unregistered haulers or haulers with
21 manifest violations, and then facility complaints referred
22 to our enforcement section for appropriate follow-up.

23 We prepare quarterly newsletters to the hauler
24 community updating them on current laws, regulations, and
25 any other helpful information. We prepare and assist

1 haulers to become EDT users by helping them develop their
2 own forms to be compliant with the EDT requirements. We
3 provide the necessary hauler and manifest training
4 throughout the state. We provide the necessary hauler and
5 manifest training out of the country in Mexico for the
6 Mexican haulers and tire dealers. We held two events
7 last February and March 2006 down in Tijuana and Mexicali.

8 We review the manifest documentation for
9 completeness and accuracy and then prepare the necessary
10 violations if needed. We review the manifest
11 documentations and determine discrepancies in reporting
12 volumes or if the vehicles used that are not supposed to
13 be used and prepare the necessary enforcement
14 opportunities or Violations of Notice.

15 And we prepare and submit Statements of Fact to
16 the Legal Office concerning enforcement actions on repeat
17 violators. In the past two years, the Hauler Manifest
18 Program has referred over 24 administrative complaints to
19 the Legal Office for appropriate action with their
20 penalties to be assessed of over \$126,000 and an
21 additional \$95,000 on basically an abeyance program or
22 probationary where we held a little bit more over them.
23 If they should violate, we can collect for the full
24 amount.

25 The budget for the 2005-2006 was for \$550,000.

1 This was then reduced down to \$450,000 for the remaining
2 years. This does not include any expenses for staffing
3 expenses in the budget.

4 That concludes my presentation.

5 BRANCH MANAGER DELMAGE: Questions?

6 MR. LEVEILLE: Quick question, Keith.

7 This is Terry Leveille again.

8 Approximately how many individuals are using the
9 web-based data entry system?

10 SUPERVISOR CAMBRIDGE: We have four on the batch
11 method and we have six on the web right now.

12 MR. LEVEILLE: So is that something that you want
13 to expand?

14 SUPERVISOR CAMBRIDGE: Yeah, most definitely. Of
15 46 percent of the records being submitted, 40 percent are
16 coming from the batch method, but the 7 are coming from
17 the web EDT, which is a considerable amount. We are still
18 trying to strive to get anybody and everybody on board
19 with that electronic data transfer. And apparently
20 talking to everybody, that seems to work very well.

21 The other nice thing about that is like I
22 mentioned on their CTL forms, a lot of the deciphering,
23 if you want to call it that, we have to look at somebody's
24 penmanship and try to determine what numbers they're
25 talking about. With the EDT, it's right there. It's

1 printed and it's submitted. And if the information is
2 inaccurate or missing, it will not submit it into our
3 system, so we'll get complete information that way.

4 MR. LEVEILLE: Just as a follow up, do you have a
5 plan in place to, you know, expand it? Do you have like a
6 marketing plan to do that? I mean, is this something that
7 would be worthwhile so that you --

8 SUPERVISOR CAMBRIDGE: Most definitely. I don't
9 know about a marketing plan. We have a process where we
10 contact the top 100 users of the manifest forms and try to
11 get them monitoring. We've done that I believe three
12 times now. And I'm not sure why -- but Tire Retread
13 Information Bureau, TRIB, tried to get them aboard with
14 it. A lot of them we felt were going towards the EDT
15 process. However, I think a lot of them now feel the CTL
16 form is adequate for them, and they're just as happy with
17 that. But we're trying to solicit more people into that.

18 Marketing, I'm not really sure. We haven't
19 really done anything on the marketing aspect, aside from
20 just contacting them and asking them if they're
21 interested.

22 BRANCH MANAGER DELMAGE: Yeah, Michael.

23 MR. BLUMENTHAL: So am I to understand that this
24 agency actually spent money in Mexico? They sent people
25 into Mexico to have a seminar?

1 SUPERVISOR CAMBRIDGE: We had -- I believe it
2 was -- I'm not sure what the bill number is. But
3 basically we're required to help train some of the Mexican
4 haulers and Mexican tire dealerships because they are
5 coming into California and picking up tires, transporting
6 them back. So they do need to be required to be
7 registered and manifest the information. So we have sent
8 staff down to Tijuana and Mexicali last March and February
9 to provide this training and try to get them into the
10 hauler process.

11 MR. BLUMENTHAL: Thank you.

12 BRANCH MANAGER DELMAGE: As a follow up, Michael.
13 The way it works, any travel outside of the country is
14 paid for out of a different fund. It didn't come out of
15 tire funds, although staff time was involved.

16 But as Keith mentioned, there was a bill passed
17 SB 772, Duchovny, and it lists some of the things that the
18 Tire Program is required to do with respect to the border.
19 I'll talk about that a little bit more when we get into
20 the research. But just basically, training programs to
21 assist Mexicans in waste and used tire haulers,
22 environmental education, training, an abatement plan with
23 both California and Mexico, tracking legal and illegal
24 tires, and coordinating with businesses operating in the
25 border region. So we do have a mandate to have

1 interaction with Mexico through the border region.

2 MR. LEVEILLE: On your tables that you're showing
3 for your budget 05-06, and I know the previous one for the
4 enforcement, do we have any figures that actually reflect
5 any changes in this last fiscal year 05-06 that would
6 differentiate for actually how much you spent or was spent
7 on these programs? In other words, did you actually spend
8 \$550,000 in 05-06?

9 SUPERVISOR CAMBRIDGE: Last year, we came very
10 close to spending that amount. We started off several
11 years ago about three or four years ago at 1.1 million.
12 And that was dropped down to 700,000 I believe. A lot of
13 those expenses for the last three years went into our WTMS
14 system, which when we went from the manifest tire trip log
15 to the comprehensive trip log form, basically they had to
16 kill the old system and, you know, rebuild it again. And
17 so a lot of those expenses went into the formation to that
18 system. As well as, again, with every new form that comes
19 out, we have to provide training. We have to get rid of
20 our old manuals and provide new manuals and so forth.

21 MR. LEVEILLE: And I'm not just asking this about
22 your program, Keith, but also Georgianne's and the others.
23 I'm just wondering if we can get -- I mean, for
24 stakeholders that are watching the tire fund budget, if we
25 can get, you know, updated numbers on the 05-06 budget of

1 actual expenditures in those line items.

2 BRANCH MANAGER DELMAGE: Sally just handed me a
3 sheet from the May reallocation item last May, and it gave
4 the 05-06 fund. And in this particular program, 350,000
5 out of the 550 that was allocated was actually spent. So
6 200,000 reverted and was reallocated during that last
7 go-round in May.

8 MR. LEVEILLE: And in enforcement?

9 BRANCH MANAGER DELMAGE: Enforcement.

10 MR. LEVEILLE: I'm just wondering if we can get a
11 document that would identify the 05-06 actual expenditures
12 by line item.

13 MS. DICKINSON: It comes out in May, in the May
14 reallocation line item.

15 BRANCH MANAGER DELMAGE: In the performance
16 measures, we'll have that information, which will be out
17 shortly.

18 MR. LEVEILLE: But even in May, I know there's
19 still a couple of months left over in the fiscal year
20 until June 30th. So I mean, that's really more what I'm
21 interested in is, you know, not just, you know, the
22 estimates that are made in May, even though they're pretty
23 close. But that would be helpful I think on each of the
24 line items just to get an idea as to, you know -- and if
25 there's some major discrepancies, you know, just an

1 explanation of why. I mean, that would be very helpful.

2 BRANCH MANAGER DELMAGE: Actually, this is the
3 first year we'll actually be bringing the May reallocation
4 early. We'll be doing that function kind of a midyear
5 look at where we're at. That will happen in February.
6 And then in May we'll actually, you know, have more closer
7 numbers. We're also trying to push all our activities,
8 all our spending functions up in the fiscal year so that
9 in February we'll have a better tally. And then certainly
10 by May we'll be pretty close.

11 MR. LEVEILLE: So you can provide the 05-06 final
12 budgetary numbers?

13 BRANCH MANAGER DELMAGE: The actual final?

14 MR. LEVEILLE: Yeah.

15 BRANCH MANAGER DELMAGE: Is that available yet?

16 MS. FRENCH: We have the C&G dollars. We have
17 the contract and grant dollars, yes.

18 BRANCH MANAGER DELMAGE: We do have some of that.

19 MR. LEVEILLE: That's what would be helpful for
20 stakeholders, just to take a look at where the spending
21 has gone in the budget in the tire program line by line.
22 And I know there's been changes and some, you know, don't
23 spend all that they've got. Some have been reallocated
24 extra money because of oversubscription of programs, but
25 that would be very helpful.

1 BRANCH MANAGER DELMAGE: All right. Thank you,
2 Terry.

3 One thing I'd like to say about the Hauler and
4 Manifest Program, I think this is a good example of a
5 system that was originally set up that had inherent
6 problems. Basically, it was just too paper intensive. Of
7 course, we figured that out right away through a lot of
8 work with the Board and stakeholders. We were able to
9 scale that back. And we further went down the electronic
10 data format. And consequently, we've got the program now
11 to a point where we can cut back the funding. Having
12 these two-year revisits to the Five-Year Plan offers an
13 opportunity to reassess and make these adjustments.

14 And then it also provides Keith and his staff the
15 opportunity to get away from the paperwork aspect of this
16 and focus on training, making sure that the haulers and
17 all the people involved in the system know what's going on
18 and know how to do what they're supposed to do. And those
19 that don't, it also gives them more time to isolate the
20 entities that are having the most problems and either
21 going down the enforcement route or getting them back on
22 track through some other way.

23 All right. We're way ahead of schedule. So,
24 Bob, are you ready? We'll skip this break here I think
25 and go into Cleanup, Abatement, and Other Remedial

1 Actions. And then we'll take a quick break. And it's
2 possible if there aren't too many questions, we may be
3 able to get out of here before a lunch break.

4 --o0o--

5 SUPERVISOR FUJII: Good morning. I'm going to be
6 talking about the Cleanup and Abatement or Other Remedial
7 Actions Related to Tire Stockpiles Throughout the State
8 section. I'll just briefly go over some background about
9 this program.

10 Our statute PRC Section 42846 allows the Board to
11 perform any cleanup, abatement, or remedial work required
12 to prevent substantial pollution, nuisance, or injury to
13 public health and safety at waste tire sites where the
14 responsible parties have either failed to take appropriate
15 action or were unwilling for whatever reasons to take
16 appropriate actions.

17 These efforts may entail us stabilizing piles
18 until they can be removed, removing all the waste tires,
19 remediating the tires after the tires are removed, and/or
20 awarding grants to local governments to conduct the
21 cleanups.

22 The main components of this program are:
23 Long-term remediation projects, short-term remediation
24 projects, Local Government Waste Tire Cleanup Grant
25 Program, Local Government Amnesty Day Grant Program; Farm

1 and Ranch Solid Waste Cleanup and Abatement Grant Program;
2 and a component with the Office of State Fire Marshal
3 Training; and then of course an Emergency Reserve Account
4 component.

5 I'll talk a little bit briefly about the
6 long-term remediation projects. As you may already know
7 by now, the two largest waste tire piles that caught on
8 fire in the state are the Westley and Tracy tire fire
9 sites. And for the most part both of these sites have now
10 been cleaned up.

11 The Westley site activities were completed in
12 October 2002. The remediation work was completed in less
13 than three years at a cost of about 17 million bucks.

14 In the Tracy site, the remediation activities to
15 this site with the exception of some ongoing ground water
16 monitoring that we're currently conducting out there were
17 completed in May of 2006. Remediation work at the Tracy
18 site was completed in just over three years at a cost of
19 about \$19 million.

20 The Five-Year Plan provided \$1.3 million in
21 05-06. However, since the long-term remediation projects
22 were completed, no additional funding was provided in
23 06-07, nor are we proposing any additional funding for
24 this program in the new Five-Year Plan.

25 Short-term remediation projects. Short-term

1 remediation projects are those sites that have been
2 referred to us by our Tire Enforcement Program which
3 Georgianne Turner briefed you on earlier. Typically,
4 they're situations where the owners or operators are
5 unwilling to or unable to remediate their sites. As I
6 mentioned previously, the Board has exhausted all their
7 enforcement options through Georgianne's program.

8 These sites are typically taken before the Board
9 for approval. And once approved, the cleanups are
10 performed by Board contractors with oversight by Board
11 staff. During 2005 and the first part of 2006, 1.5
12 million tires were removed from eleven sites at a cost of
13 approximately \$3.8 million. The Five-Year Plan provides
14 for \$1.5 million for both 05-06 and 06-07 fiscal years.
15 We will be proposing additional funding to continue to
16 support these programs in the new Five-Year Plan.

17 Let me talk a little bit about the grant
18 programs, Local Government Waste Tire Cleanup Grant
19 Program and the Amnesty Day Grant Program. The purpose of
20 the Local Government Waste Tire Cleanup Program is to
21 facilitate the removal, transport, and reuse and recycling
22 or disposal of waste tires from illegal tire piles in
23 areas where illegal dumping has occurred along public
24 right-of-ways. This is done by providing grants to local
25 governments and Native American reservations and

1 rancherías.

2 In fiscal years 05-06, the Board awarded 31
3 grants funded about \$780,000 to local governments under
4 this program. For fiscal year 06-07, \$1 million was
5 allocated in the Five-Year Plan for this program. We'll
6 be proposing similar amounts of funding in the Five-Year
7 Plan to continue funding this program.

8 The Local Government Amnesty Day Grant Program,
9 these are grants given to local governments to develop
10 public education materials on proper maintenance and
11 disposal of automobile tires and hold Amnesty events where
12 the public can drop off waste tires for free. In 05-06,
13 the Board awarded 31 grants funded at 809,000 to local
14 governments.

15 In fiscal year 06-07, \$1.72 million was allocated
16 in the Five-Year Plan for this program. And we were
17 proposing a similar amount of funding in the new Five-Year
18 Plan.

19 Farm and Ranch Cleanup and Abatement Grant
20 Program. The purpose of this grant program is to
21 remediate solid waste that has been disposed of illegally
22 on farm and ranch properties. However, SB 876 requires
23 that the funds be allocated to pay the cost of clean up
24 and abatement or other remedial actions related to the
25 disposal of tires in implementing and operating this

1 program. This program cleaned up sites that in the past
2 have acted like a magnet for white goods, used oil, and
3 other trash and waste tires.

4 During fiscal year 05-06, this program removed
5 17,936 tires, compared to a little bit over 19,000 in the
6 previous year.

7 For fiscal year 06-07, 400,000 is allocated in
8 the Five-Year Plan for this program, and we will be
9 proposing similar amounts of funding for the new Five-Year
10 Plan to continue this program.

11 Office State Fire Marshal Training. The Board
12 worked with the Office of State Fire Marshal to update the
13 tire fire curriculum. We worked with the appropriate
14 State agencies to develop a tire fire protocol, and also
15 worked with the Western Fire Chiefs' Association to update
16 and amend the Uniform Fire Code. In addition, we worked
17 with the Office of State Fire Marshal to conduct statewide
18 training to the local fire districts on the update of tire
19 fire curriculum that was developed under this program.

20 The effort was previously funded at 100,000 in
21 fiscal year 04-05. But since this work was recently
22 completed, there is no funding for this effort in 06-07.
23 And we propose to revisit it in about four years with
24 similar funding in fiscal year approximately 08-09.

25 And the last component is the Emergency Reserve

1 Account. And this is something that's required in statute
2 under SB 876 legislation. And it required to maintain an
3 Emergency Reserve Account which will not exceed \$1
4 million. The funds will be used to respond to emergencies
5 involving waste tires such as fires. And we have no
6 choice but to continue this since it's actually required
7 in the new Five-Year Plan.

8 That completes my presentation. Any questions?

9 BRANCH MANAGER DELMAGE: Scott.

10 MR. SMITHLINE: Hi. Scott Smithline,
11 Californians Against Waste.

12 So just starting from the top, looking at
13 long-term remediation projects, obviously there's nothing
14 budgeted. So is the State's assessment then that there
15 are no more tire piles this size or the likes of the Tracy
16 and Westley tire piles? Is this just really good news, we
17 don't think they're out there anymore?

18 SUPERVISOR FUJII: That's correct.

19 MR. SMITHLINE: Great. Onto short-term, is this
20 an ongoing problem, these short-term remediation projects?
21 There are new sites that are being developed and being
22 discovered? Or we think they're still being developed or
23 we think they're out there and we're still discovering
24 them and getting rid of them?

25 SUPERVISOR FUJII: As Georgianne pointed out in

1 her presentation, it's an ongoing process. I think it's
2 safe to say that the size and scale of the project is
3 becoming smaller and smaller. Because you know, there
4 just aren't the accumulation of large piles because of the
5 success of our programs. The Enforcement Program has done
6 a good job of making sure there are no more Westleys or
7 Tracys out there. So the larger sites that we see like in
8 Sonoma County, for example, have been there that predated
9 even our Tire Program, Tire Enforcement Program, being in
10 place.

11 But to answer your question, it's going to be an
12 ongoing process. The tire piles will be smaller. We
13 don't think it's going to go away, because there are
14 always going to be people out there dumping their tires
15 illegally. And just sort of the nature of the business
16 that we're all in.

17 MR. SMITHLINE: Okay. So just to make sure I
18 have this right. Basically, the short-term remediation
19 projects, the Local Government Waste Tire Cleanup Grant
20 Program, the Local Government Amnesty Grants, and the Farm
21 and Ranch Solid Waste Cleanup Grants, these are all
22 indicative of an ongoing tire problem?

23 SUPERVISOR FUJII: More or less, yes.

24 MR. SMITHLINE: Okay. Thanks.

25 BRANCH MANAGER DELMAGE: Michael.

1 MR. BLUMENTHAL: I would concur with your
2 assessment. I think you got all the really large piles.
3 And interesting about small tire piles is once you start
4 to look for them, you're going to find them. Whether
5 they've been there for a while or are relatively new,
6 that's almost academic, there will be a continuous flow of
7 the smaller piles. Once you go into the project when you
8 do the satellite imagery, you're going to find even more
9 piles, smaller piles.

10 I agree, these things do need to be cleaned up.
11 They're more of a nuisance than anything else. But
12 certainly they serve the larger good, and I think it's a
13 good project you're working on.

14 I do have one suggestion, however, beyond what
15 you're already doing. What we are seeing across the
16 country -- and I'm sure California is no different -- is
17 because there are no more of these large piles and because
18 of the cost of gasoline and diesel being where it is,
19 we've seen a shift where the dumpers are not going out to
20 the rural sector as much as they used to to dump tires.
21 They're staying in the urban sectors to dump tires.

22 I think if you speak with your fire department in
23 your major cities, your minor cities, whatever you want to
24 call them, I think you'll find there is an increasing
25 level or increasing incidence of tires being stored in

1 warehouses or abandoned buildings and that this is where
2 the problems are being shifted to.

3 So you may not have as many out in the
4 countryside. They're going to be more in the urban
5 sector. And I don't think fire departments in cities are
6 prepared for this, either to clean them up and certainly
7 not to fight those types of fires.

8 I was recently in Philadelphia where I gave a
9 presentation about this, and it was like I was talking
10 martian to them. It was totally alien to them. They
11 didn't know how to approach it. And since there are no
12 standards on this, how to fight a building fire caused by
13 tires is going to be a problem. I think the environmental
14 problems from fighting a fire caused by tires inside a
15 building is going to be tremendous because they don't
16 understand what the environmental ramifications are. Like
17 putting water onto a tire fire does not work. It creates
18 runoff.

19 I would suggest not cutting off all the funds to
20 the Fire Marshal's office and not postponing it until
21 07-08 or 08-09. I would suggest putting money into the
22 Fire Marital's budget specifically to develop a fire
23 fighting procedural manual to fight tire fires in urban
24 settings. And I can tell you we have a lot of that
25 information gathered already. If it's anything like what

1 they did in the past, we'll create a task force. I'll
2 come out. We're share information, and Rodney Slaughter
3 will come up with a great media program.

4 But because this is new -- and I think it's
5 important that there is money in next year's budget to
6 start working on this project because we see this problem
7 getting larger in the years to come, not getting smaller.
8 Because of your enhanced enforcement programs, your
9 manifest programs all are effective. So they're not going
10 to travel as far as they used to. They're going to stay
11 local. And that means in urban areas. That's everything
12 from San Francisco all the way down to, you know, a fairly
13 small town. You're going to have these problems. And the
14 fire departments are not trained for this. And the
15 environmental problems that come from fighting a tire fire
16 are big. These guys are not prepared for it. I would
17 suggest looking into this and allocating funds for them.

18 BRANCH MANAGER DELMAGE: Thank you, Michael. I
19 appreciate that.

20 Let me kind of tie some of these things together
21 before we move on. Bob talked about the amnesty, cleanup,
22 farm and ranch. Georgianne talked about our surveillance.
23 You mentioned the satellite. One of the themes that I'd
24 like to build into the next version of the Five-Year Plan,
25 we have the five elements. But as I think we've all seen

1 over the last couple of years, there's a lot of
2 interaction, not overlap, but more of a synergistic effect
3 between various aspects of each element.

4 I think what Bob is talking about here is a real
5 good example of that. Yes, we've gotten rid of the big
6 piles. We're working on the smaller piles. As you said,
7 Michael, once the satellite work starts, we're going to be
8 finding more piles.

9 And then you had mentioned, Terry, that one of
10 your dealer's concerns is that we prevent illegal dumping.
11 All of these things are working together for that
12 particular purpose. When we find a tire pile, whether it
13 would be with the satellite or one of our local
14 enforcement agencies, we want to get it cleaned up so it
15 isn't an attractive nuisance, but we want to make sure it
16 doesn't get built back up again. So we have our
17 surveillance contract with the ARB where we can put up
18 cameras. We have those cameras available to our local
19 enforcement entities. And these work especially well in
20 the urban setting, because people aren't expecting
21 necessarily to be watched in alleys or whatever. Then we
22 have our contract with CHP and working with locals to make
23 sure they know the procedures of evidence and whatnot.

24 So all these little pieces are working together
25 from the various elements to do what we can to ensure that

1 the piles don't build up. We clean up the piles that are
2 out there. And then on the opposite end that we'll be
3 talking about later, we're doing our best to build markets
4 so that tires truly become a commodity that people don't
5 want to throw away. There will be an infrastructure set
6 up for them to go into and become some other product down
7 the road.

8 Yes, sir.

9 MR. LEVEILLE: Terry Leveille here.

10 What's the bump in the Local Government Amnesty
11 Grants this year? It's a million dollars every year, and
12 all of a sudden this year it's 1.715.

13 SUPERVISOR FUJII: This is the first time I've
14 been involved in this program. My understanding was
15 because it's been oversubscribed in the past that we
16 needed additional funding for this.

17 MS. NORDSTROM-LAMKIN: We also had a certain
18 percent they need to spend for --

19 SUPERVISOR FUJII: I'll have Diana address it.
20 She's the manager of that program.

21 MR. LEVEILLE: And why just this year?

22 MS. NORDSTROM-LAMKIN: There was a certain
23 percentage that needed to be spent on cleanup activity.
24 And so they allotted the additional \$715,000 for the
25 amnesty events. That was just a decision that was made

1 last year.

2 SUPERVISOR FUJII: Right. So it may come to
3 fruition that the need will support the budgeted amount.
4 It's historically been around a million, a little bit more
5 than that.

6 MR. LEVEILLE: Was last year the Cleanup Grant
7 Program and the Amnesty Grants which are merged together
8 was oversubscribed?

9 BRANCH MANAGER DELMAGE: And, Terry, I know it
10 looks odd because it's a bump. There is kind of a
11 bureaucratic reason for it. We were required to spend 6.5
12 million up to last year or up to this year 06-07. And
13 amongst all the things there, amnesty had been
14 oversubscribed. So that's why we put it there. The next
15 year we didn't have that same statutory requirement of
16 having 6.5, so the money goes elsewhere into one of the
17 other elements.

18 MR. LEVEILLE: So the 06-07 budget is the last
19 budget where you have to spend 6.5 million on cleanups?

20 BRANCH MANAGER DELMAGE: Yeah.

21 MR. LEVEILLE: Okay. And on your short-term
22 remediation projects last year, how much was actually
23 spent?

24 MR. JOHNSON: 3.8.

25 MR. LEVEILLE: You had budgeted 1.5 million. So

1 you were significantly oversubscribed.

2 SUPERVISOR FUJII: I think what it does, that
3 contract spans a couple different fiscal years. So the
4 total expenditure of the funds was 3.8 million, but it
5 wasn't for that one fiscal year.

6 MR. LEVEILLE: That was for two fiscal years.

7 SUPERVISOR FUJII: Yes.

8 MR. LEVEILLE: So you budgeted 1.5 the year
9 before or something?

10 SUPERVISOR FUJII: Yeah. So I think --

11 MR. LEVEILLE: So you were oversubscribed
12 somewhat in that short-term. I'm trying to get a feel for
13 how much you're spending. I know those are two-year
14 contracts.

15 SUPERVISOR FUJII: I think for the most part
16 we've been pretty much on budget for the last several
17 years. Now with the reduction of the size in piles and
18 the number of piles, that number may come down. And we
19 may have to readjust for the out years. But right now
20 we're not anticipating that happening. And I have to go
21 back to the contract, Terry, and see which contracts span
22 which fiscal years to figure that out.

23 MR. LEVEILLE: Well, as far as --

24 SUPERVISOR FUJII: For the most part, it seems to
25 be we spend whatever was budgeted.

1 MR. LEVEILLE: But I know the Board was committed
2 by 876 to spend 6.5 million a year on cleanups. Of
3 course, the intention that was there were all these huge
4 tire piles out there when in fact those tire piles had
5 burned up. And so most of this money ended up going to
6 the clean up of those burned up tire piles.

7 SUPERVISOR FUJII: That's correct.

8 MR. LEVEILLE: From the tire dealers' standpoint
9 who, you know, have to collect the tire fee from their
10 customers, their one little bugaboo is this Farm and Ranch
11 Program. The Tire Program is committed to popping in
12 about 40 percent, maybe 50 percent of that Farm and Ranch
13 Program. And it's not a big amount, 400,000. But as you
14 can see from -- I saw that the first farm and ranch
15 cleanups, the first three cleanups this fiscal year, took
16 \$191,000 and cleaned up a total of 300, 400 tires.

17 Our strong feeling is that this program there
18 should be a little bit for tires, maybe even up to 100,000
19 a year. But at least most of that money should be coming
20 from the Integrated Waste Management Account that cleans
21 up the refrigerators, the other things.

22 And I know this has been an ongoing issue. But I
23 think as far as the tire dealers, as stakeholders, and as
24 collectors of the tire fee would feel that the Board is
25 making inroads on making sure that the Tire Fund isn't

1 spent as they say as the cash cow and is a little bit more
2 close to what, you know, is the actual cost or the actual
3 number of tires that are cleaned up. You know, we think
4 there should be some contribution. We think splitting it
5 with the Integrated Wasted Management Account 50/50 is not
6 right. And we really would like to see that go down.

7 SUPERVISOR FUJII: You're suggesting it be based
8 on actual removal?

9 MR. LEVEILLE: No. You can't do that, because
10 you can't estimate. But if you wanted to just take a look
11 over the last three years and see approximately how much,
12 you know, the cost -- how many tires you removed from this
13 program, and I would think it would be under 100,000. But
14 I would think 100,000 would probably be adequate for the
15 tire dealers to agree to probably closer to 50,000 in
16 reality. But 100,000 a year would probably be a very
17 generous contribution from the Tire Fund for this program.

18 SUPERVISOR FUJII: Okay.

19 BRANCH MANAGER DELMAGE: We'll take a break right
20 now, about 15 minutes or so. So if you could be back at
21 five to 11:00. And we'll see if we can get through the
22 last two within maybe an hour and a half and then just
23 break at maybe 12:30.

24 (Thereupon a recess was taken.)

25 --o0o--

1 BRANCH MANAGER DELMAGE: Let's go ahead and get
2 started and see if we can get out before the lunch hour is
3 over. All right.

4 This is the research element. When we went
5 through this process a year and a half ago, two years ago
6 now, there was a decision made that we would be pulling
7 back on research, not put as much money into research.
8 Primarily, the decision was made because we wanted to move
9 forward on the research that had already been done. And
10 we know that there's a lot of other research that have
11 been going on other places that we could take advantage
12 of. So we actually cut back the budget on research and
13 reduced that effort, not considerably, but significantly.

14 So what we have left we've actually further
15 refined. I'm going to have Frank speak to a couple of the
16 issues here. And then Stacey will speak to the C&E
17 application. So let me start with Frank. And rather than
18 go through these in order, Frank, just pick out the ones
19 you'll be involved with and cover those if you will.

20 SUPERVISOR SIMPSON: The continuing education
21 curricula for RAC and civil engineering applications, that
22 was a contract that was designed to be used to develop a
23 program for awarding continuing education credits to
24 engineers and other people for taking new or refresher
25 courses regarding RAC and civil engineering applications.

1 We anticipate that contract should be in place by the end
2 of December.

3 The tire-derived product testing and
4 certification, that contract will provide testing and
5 certification for new products consistent with the
6 specifications for Caltrans, other agencies, and local
7 government. That project has been rolled into BAP, and
8 it's going to be a very integral part of that as well.

9 The life cycle assessment of tire management
10 methods, this study would provide for the environmental
11 and human impacts of major waste tire management methods.
12 And it didn't happen because it was discontinued due to
13 the Board prohibitions on tire-derived fuel.

14 The generation and diversion study, it examines
15 the correlations between the various methods that the
16 Board uses to determine the number of tires generated,
17 diverted, and disposed. The results of that study will
18 address any discrepancies found between the generation and
19 disposal numbers. And I have some new information on that
20 from Boxing this morning.

21 The most significant accomplishments to date,
22 they prepared a detailed methodology and research plan,
23 reviewed and analyzed the methodologies employed by all 50
24 states to calculate and estimate number of waste passenger
25 tire equivalents that are granted. They are collecting

1 extensive data for an estimation model including BOE tire
2 fee data, estimates of additional sales and imports not
3 captured by BOE, estimates for tire tread life and
4 retreading statistics. And they will identify and
5 estimate all new tire flows, estimate useful tire life,
6 and estimate passenger tire equivalents entering the waste
7 stream.

8 Identifying market demand for tire-derived
9 products. This activity is also included in business
10 assistance, but it provides opportunities for a variety of
11 products currently produced outside the state to be
12 produced in California. The contract will identify
13 products for which there is an existing market demand that
14 are made elsewhere.

15 BRANCH MANAGER DELMAGE: Stacey, could you talk a
16 little bit about -- you know, I know you'll be talking
17 more in markets about the civil engineering, but just this
18 particular aspect here.

19 SUPERVISOR FUJII: Actually, I'm going to go
20 ahead and do it. Stacey will just answer some questions I
21 know I won't be able to answer.

22 In this section, this is an area where the Board
23 has expended a significant amount of resources, promoted
24 the use of tire-derived aggregate through our contract
25 with Dana Humphrey, who is our internationally known

1 expert, in the use of TDA. The Board provided education
2 and promoted the use of TDA as an alternative to
3 conventional lightweight materials in highway construction
4 projects.

5 Although we made a significant amount of progress
6 promoting the use of TDA in civil engineering projects,
7 there's still much work that needs to be done to convince
8 the local and State governments that this is an area where
9 it provides superior performance and could be cost
10 effective.

11 Under this program, we will continue to develop
12 existing and investigate new CE uses for tires. We'll
13 also continue to educate State and local private sector
14 engineers on the use and benefits of TDA. And in fiscal
15 year 06-07, the Board allocated \$500,000 for this program.
16 And we will be proposing a similar amount of funding in
17 the new Five-Year Plan to continue this effort. That's
18 pretty much it.

19 BRANCH MANAGER DELMAGE: All right. The other
20 activity in this element is border outreach activity. I'm
21 going to take this opportunity to talk about the border in
22 general. There's a lot of things happening with regard to
23 the border both at a State level and at a federal level
24 and at an international level for that part.

25 This particular -- the moneys assigned for 05-06

1 and 06-07 went to a contract with San Diego State
2 University Foundation, and they will be providing us with
3 as good numbers as we can get on the number of tires that
4 are going into Mexico from the United States, both used
5 and the waste tires. We're looking to get a handle on
6 illegal tire flow as well.

7 This connects with the CHP contract. We've
8 already conducted some checkpoints at several places along
9 the border checking trucks, seeing if there might be tires
10 in any enclosed truck, just to begin to get a handle on
11 that part of it.

12 We will be using a sizable portion of our
13 satellite surveillance program to examine actually both
14 sides of the border to see where tires may be accumulating
15 along the border. If we find tire piles along the border,
16 we'll be working with CHP to further isolate where these
17 tires are using helicopter flyovers. Then if we find
18 active sites, we'll use our contract with ARB to set out
19 surveillance cameras, see if we can catch people in the
20 act. You know, if we find these places, we'll be using
21 the cleanup money to get them cleaned up. So all these
22 things are fitting together.

23 U.S. EPA has a border 2012 program. We've been
24 working with them on that. Paulino, U.S. EPA is doing a
25 report now. And what was the title of that report? It

1 was an action plan --

2 MR. LUNA: Yeah. U.S./Mexico action plan
3 focusing on basically tire piles.

4 BRANCH MANAGER DELMAGE: So there's a lot of
5 activities going on with respect to the border. We should
6 have this report out, at least a progress report or draft
7 report, toward the end of this fiscal year on the study
8 that San Diego State is doing.

9 All right. Are there any questions on the
10 research component? Yes, Scott.

11 MR. SMITHLINE: Hi. Scott Smithline,
12 Californians Against Waste.

13 Just briefly on civil engineering, is there -- I
14 know you guys have been doing some research on this area.
15 Is there sort of a where we stand with civil engineering,
16 any kind of documentation for stakeholders? I mean, I
17 just asked you a question, for instance, about the
18 recyclability of a civil engineering project. But I don't
19 know, do we have answers to these types of questions for
20 these materials?

21 MS. PATENAUDE: Are you asking how many tires
22 have been used up to date?

23 MR. SMITHLINE: No. I'm asking more about where
24 we stand with the technology of TDA in general.

25 MS. PATENAUDE: TDA is used extensively

1 throughout the United States, just not here in California.
2 It's an accepted lightweight fill material in many other
3 states. It's been used with complete success here in
4 California in the one application that Caltrans used it
5 for Dixon landing. It's just to get them to continue to
6 use it. So the technology of using it as lightweight fill
7 for embankments and stuff like that is pretty
8 straightforward and accepted. As far as the development
9 of lightweight fill behind retaining walls, that's
10 currently a study we're working on. We're right in the
11 midst of building a second retaining wall to gather data,
12 and we hope that will continue into a new type of
13 retaining wall in which tires are used as a standard
14 backfill behind it.

15 MR. SMITHLINE: So certain stakeholders and
16 Californians Against Waste included have been slightly
17 skeptical of this technology in part because it feels like
18 there's a little bit of a lack of information presented in
19 sort of a cohesive place for us. And for rubberized
20 asphalt pavement, certainly that information is readily
21 available. But simple questions like what is the average
22 life span of a TDA project. And is that material
23 rerecyclable after that point and things that would help
24 us try to make us more familiar with this position.

25 MS. PATENAUDE: We are in the process right now

1 of developing a website that will have all that
2 information in there. We realize it's spread out amongst
3 many documents that basically sit on my desk or Dr.
4 Humphrey's office in Maine.

5 But we do have ongoing, you know, development of
6 a website that will be linked to our website here at the
7 Waste Management Board that will hopefully add and we will
8 continue to add information to. But they started that a
9 couple years ago, and it never got completed. So we are
10 currently working on that and hopefully a lot of the
11 questions people ask will be on that website.

12 SUPERVISOR FUJII: One of the other things that
13 we do, Scott, is Stacey coordinated the short courses
14 where we go around and provide educational seminars and
15 hand out these materials to lots of local government
16 engineers and those folks. But we certainly would be
17 amenable to opening them up to anybody that might be
18 interested in learning more about the technology.

19 Dr. Humphreys is a relatively dynamic individual.
20 I don't know if you've heard him speak, but he explains
21 things in terms that are easy for anyone to understand.
22 And I think it would be beneficial for any stakeholders
23 who might be interested in the technology to attend one.
24 We'll try to keep everyone informed of when these things
25 are going to occur. We do them in lots of areas of the

1 state and make them available to the stakeholders who
2 might be interested.

3 MR. BLUMENTHAL: Just a quick sidebar.

4 Scott, to answer your question, the life span of
5 the TDA, the tire-derived aggregate, is as long as the
6 project itself. The tires are not going to decompose. If
7 it's a retaining wall, chances are it's 50 years. If it's
8 vibration dampening, it's probably going to be there as
9 long as the rail is going to be there. If it's road base,
10 it's there as long as the road is there. The life
11 expectancy is virtually unlimited for the TDA itself.

12 Part B of that, is it reusable after that project
13 is completed, whenever that is? The answer is yes,
14 because the tires will not decompose. You can basically
15 take them out and reincorporate them into the next civil
16 engineering project that arguably would probably be in the
17 same location. So if you have a retaining wall, it lasts
18 say 50 years. You put up a second retaining wall. Those
19 tire shreds could still be used. So since there is no
20 degradation to the material itself, they could be used
21 numerous times. So in this particular venue, the
22 engineering properties will not change over time. They
23 will not be -- there won't be any degradation of their
24 engineering properties over time because the tire will not
25 decompose.

1 SUPERVISOR FUJII: Let me add also when we do
2 these projects, the tires are encased in geotechno fabric.
3 So in addition to they don't degrade, they're also
4 somewhat protected from contaminate and the soil or any
5 other material that's placed on them because they are
6 encased in what we call a burrito of geotechnic fabric
7 that actually protects them even more. So they can't be
8 mined in theory when a project is done, unless as Michael
9 pointed out, reused in a similar project. Hopefully in
10 the same area. But if not, certainly available.

11 MR. SMITHLINE: On that note, again exposing that
12 I don't know that much about this technology, you know,
13 are there presumably many different grades of material
14 that are used for different applications with civil
15 engineering? So I'm just thinking how feasible is it
16 going to be to dig something up and put it over here? Is
17 this project going to have a completely different set of
18 specs? Is it going to be stockpiled? I'm just thinking
19 that --

20 MS. PATENAUDE: The civil engineering, it's not
21 nearly as many gradations as crumb rubber. We basically
22 have two types: Type A, which is equivalent to TDF size,
23 two to three inch; and Type B which is just four inches.
24 Here in California, it tends to be more on the six to
25 eight inch size.

1 As far as in reality, I just answered this
2 question a few minutes ago on the e-mail from someone in
3 San Jose. You could, if you were careful, remove the
4 soil, pull the material out. You could reprocess that
5 material. You could put it right back into a primary
6 shredder. If it was a primary shred, you could take it
7 down to two inch. If it was a twelve inch, you could
8 recrumb it. The material once it comes out, it should be
9 fairly clean. That's why we wrap it in the fabric.

10 So, you know, if there is another need for the
11 material, there's no saying it couldn't go to a two-inch
12 material crumb, TDF, or whatever. It's essentially a
13 primary shred size is what most of our projects are going
14 on. The two-inch material there is what was used in the
15 rail line. And that's essentially what they use as the
16 base material for crumb rubber. So it's essentially, you
17 know, very recyclable.

18 SUPERVISOR FUJII: This is another area we're
19 trying to explore with some of our processes in the state
20 who are making crumb. It seems like there's an
21 opportunity here to in essence take a material they're
22 already processing down to the crumb and stop short and
23 make the product that would be used for civil engineering.

24 So like Stacey said, you need to get the two-inch
25 chip before you crumb at some point. So I could make this

1 material and leave it in this form and not take it down to
2 crumb and use it in a light rail application or something
3 further up to line than a four-inch or six-inch chip that
4 can be used in like a retaining wall or fill application.
5 We're looking to diversify some of the processors in the
6 state, have them make multiple product lines to be able to
7 fulfill this ongoing need we're going to need in this
8 market for supplying this kind of material. It's not just
9 a one shot makes crumb, but one shot makes all different
10 kinds of material.

11 MS. DICKINSON: Also with the other \$350,000
12 contract to the community college, that one we hope to get
13 together in the next three months and go to the Board.
14 And it's on continuing education units in curricula RAC
15 and civil engineering application so that we can train
16 current civil engineers on this process and new students
17 with other community colleges within California.

18 BRANCH MANAGER DELMAGE: Terry.

19 MR. LEVEILLE: Yeah. Just a quick follow up on
20 that. Is there anything going to be done to deal with the
21 issue of stockpiling of civil engineering chips on site
22 or -- this always seems to be a bugaboo in a lot of the
23 projects.

24 SUPERVISOR FUJII: What do you mean, Terry?
25 Being able to -- the problem that we have is we have

1 individuals who are truly in the business of making the
2 material and have contracts to deliver to a project. And
3 then we have individuals who are betting on the crumb or
4 representing they're making the material that meets the
5 specifications that we have for one of our projects and
6 starts making it and stockpiling it and not getting the
7 proper permits to manage it. So you know, it's going to
8 be an ongoing issue for us.

9 For now, we're trying to focus on those -- if you
10 have a legitimate use and I think the requirement says
11 bought and paid for and delivered off the site, it can be
12 managed as a product and not a waste. But you know, for
13 those individuals who are going to -- it's a tough one. I
14 don't have a clear answer for you other than just that.
15 If it meets those requirements, it's a product. If it
16 doesn't meet those requirements, it's still a waste.

17 MR. LEVEILLE: How about the users, you know, to
18 have ready access to the product? I know one of the
19 problems at Dixon Landing was storing it so they could
20 move it quickly onto site and storing it in a close
21 proximity to the project.

22 SUPERVISOR FUJII: Like I said, in those
23 instances, it's bought and paid for and delivered to, you
24 know, the site in theory. It might be a staging area near
25 the site. It would still be a product not subject to the

1 regulations.

2 BRANCH MANAGER DELMAGE: Terry, what Bob had said
3 earlier about diversifying the infrastructure, so that if
4 somebody is already making crumb by adding a machine in,
5 if the crumb market is slowing up and there's a big need
6 for TDA, it can be diverted off. And so what we're trying
7 to do is build up the infrastructure because we do have
8 these storage issues. Somebody can't -- like with what
9 it's replacing, some other type of lightweight fill
10 material, they can just pile it up along the roadside
11 without having to deal with too many restrictions. This
12 particular product can't be handled that way. So we have
13 to have an infrastructure that's dynamic and ready to take
14 on these large projects, and not necessarily one, but have
15 the product coming from several different places. But
16 they're in a position to be able to make it to the right
17 specification.

18 MR. LEVEILLE: So your focus is not looking at
19 modifying storage regulations. It's really more building
20 up the infrastructure of the processors that can -- the
21 number of processors that can make it and move it out
22 quickly and move it on site quickly.

23 BRANCH MANAGER DELMAGE: Well, I wouldn't rule
24 out looking at the storage requirements. We just have to
25 be very mindful of the problems associated with it, and we

1 have to keep it kind of in the context of, you know, this
2 is a flammable material. So we're looking at that, but we
3 don't want to divorce the enforcement side of things from
4 the market side of it either. We need to have the two
5 play together.

6 Michael.

7 MR. BLUMENTHAL: I think this is a very critical
8 point. I understand the concerns from the regulator side.
9 We do not want someone to simply process tires and store
10 tires for what we call speculative accumulation. That's
11 usually the first step to a future abandoned stockpile of
12 tires. I'm not arguing that point.

13 But what you just said at the end -- you had me
14 sold until you said that last bit there. If you want to
15 turn this into a commodity -- I think we all want to turn
16 this into a commodity, you can't damn it with fake praise.
17 It can't be half of a commodity but still have the
18 concerns about storage.

19 We'll stick with the TDA material, because that I
20 think is probably the most important when it comes to
21 longer term or intermediate term storage not on a
22 processor's yard. If you want to make TDA a commodity,
23 you have to have standard specifications on how it is to
24 be stored.

25 Now, the Fire Marshal's office already has

1 standards on how to store tires, 5,000 square feet, total
2 height 10 feet. So it's basically 50 by 50 by 10. That
3 is what they would recommend. And that probably would
4 cover the ground. But considering the scope of a
5 potential TDA project, you might need the equivalent of
6 one to two million tires to satisfy that need.

7 So you have to have an adequate supply chain, and
8 that may not necessarily be on a processor's yard. They
9 may not have the space. It may not be permitted for that
10 much material. They have to store it off site. And if
11 you say yes, we want this to be a commodity and once it is
12 sold and moved off of a processor's yard, it has a
13 commodity -- it is now a commodity, but we're going to
14 restrict it because of other considerations, you've just
15 hurt that marketplace. So you can't have it both ways.

16 I'm not saying don't have standard storage
17 regulations. I'm saying make that call and go with that.
18 Work with the industry folks. Work with the Fire
19 Marshal's office. But it has to be standardized and it
20 has to be accepted. Otherwise, you might as well as not
21 put money into anything dealing with civil engineering
22 because your own regulations are going to kill that
23 market. And this is a nationwide issue. If it is a
24 commodity, treat it like a commodity. Have standard
25 storage regulations. Enforce those. But don't have it

1 halfway or don't try to do both.

2 SUPERVISOR TURNER: I just wanted to bring up
3 that we have -- we would like to further flush out the
4 definition of tire-derived product in regulation to
5 address some of these issues. There are multiple issues
6 in this area that I see.

7 One is a facility that is making a product that
8 would normally be counted towards their permitted tonnage.
9 However, there's a contract in place. And so we want to
10 address that issue to support the market and still be able
11 to protect the public health through storage standards.
12 That's one thing that we're looking at.

13 The other thing is we want to close the loophole
14 on those people who are trying to skirt the law. So we're
15 looking at language currently and have some, you know,
16 ideas and we'll be working with stakeholders to flush that
17 out.

18 One thing I heard I'm not aware of is that I'm
19 not aware of our enforcement activities interfering with
20 any stockpile of tire-derived product that was getting
21 ready to be used for a project. So if that is the case,
22 I'd like to know, because I don't know that's been an
23 issue. So as far as we are concerned, it's a product.
24 And it's out of our regulations. So if you have an
25 example, I'd love to hear that because that would be

1 something we need to consider.

2 MS. PATENAUE: Just to add that for the two
3 major projects we have actually constructed, we've had to
4 do some stockpiling. And it has not been a major problem.
5 We just had to find a location. And we just put some
6 requirements on it as far as making sure it's secured and
7 not readily accessible to the public and meet the fire
8 standards.

9 So for Dixon Landing, we stored at Nubi Island
10 Landfill. And we currently have a small quantity stored
11 fairly close to the site in Riverside. And it hasn't
12 really been a problem because we've notified the fire
13 authority beforehand just to let them know it's there.
14 And as long as we're meeting the fire standards, there
15 wasn't any concern. And you know, we treat it with the
16 respect that it needs. We don't want to put it in an
17 unsecured location and large quantities of it and leave it
18 there for a long period of time. But it's not cost
19 effective either when you're building a large project. So
20 placing it, putting the trucks, the more times you handle
21 it, the more expensive it gets. So ideally, it comes off
22 of the processor's facility directly to the site and it's
23 placed.

24 You know, a lot of people are concerned you can't
25 place enough material per day for the construction

1 project. I can say that that's not a problem right now.
2 We're burying the construction companies with our trucks.
3 So even with only six to eight trucks a day, that hasn't
4 been a problem yet. And they hold us up more than we hold
5 them up. So it can be a problem. We're looking at, you
6 know, the 10,000 ton plus number but I think right now
7 that we've addressed it on the projects we've worked with.
8 And I think that we will be able to continue to expand
9 upon our knowledge of how to do this.

10 MR. BLUMENTHAL: I want to go through each of
11 these projects. But to answer your question, typically
12 most states out there say once -- if you have a contract
13 and once it's sold and it leaves your processing yard, it
14 no longer is a solid waste under solid waste regulations.
15 It is a commodity, whether it's tire-derived fuel --

16 SUPERVISOR TURNER: Same for us.

17 MR. BLUMENTHAL: And that works. And I agree you
18 do have to be very tough on all processors to make sure
19 that they don't try to skirt the law and say I'm expecting
20 a sale. It is black and white. Either you have the
21 contract and move stuff off or you don't have the
22 contract. And therefore you have to have a limit. And
23 there's no mister or missus nice guy in this. This is the
24 way it has to be. And that protects everybody. That is
25 good for the industry. And no major processor is going to

1 give you a hard time about that.

2 But I do have a couple of questions. We'll go
3 right down the list, if that's okay. On the continuing
4 education, you have \$350,000 for 06-07. From what I
5 gleaned out of here, it is for educational programs on RAC
6 and civil engineering applications for engineers and other
7 potential users or opinion leaders. Is my understanding
8 correct?

9 SUPERVISOR SIMPSON: Yes.

10 MR. BLUMENTHAL: And it's going to be taught by
11 who? Is this all done by Dana Humphrey?

12 BRANCH MANAGER DELMAGE: No. We have not -- we
13 do not have a contract in place.

14 MR. BLUMENTHAL: This is going to be a one-year
15 venture?

16 BRANCH MANAGER DELMAGE: It's going to be to
17 develop curricula that can be used over multiple years.

18 MR. BLUMENTHAL: So this project is simply to
19 develop the curricula, not the vehicle, to get it out into
20 the -- that will be a subsequent. All right. Okay.

21 Number two, border outreach, \$75,000 for San
22 Diego State University to do the study on legal and of
23 course unlawful tire movement across the border. Okay. I
24 understand why that's being done. Is there any other
25 thought given to any other projects on the border? For

1 example, interfacing with what the resource conservation
2 challenge is going to be doing with their market
3 development and outreach program with EPA border 2012
4 program or any of the local interaction between the
5 counties that border -- that are on the border with Mexico
6 and the Mexican states on the other side.

7 The reason I ask this is that it's nice to know
8 where the tires are going. It's nice to know where the
9 piles are. If you don't have markets for those tires, the
10 problems that exist are only going to get worse. And it
11 will be more expensive to take care of it tomorrow than it
12 will be today.

13 Secondly, this is something we've talked about
14 before. California has all the educational programs to
15 develop markets: RAC, civil engineering, processing,
16 business development. All this stuff already exists
17 either here in California or someplace in the industry.
18 An example, we have training courses on all of these
19 issues. Would it not make sense to do some outreach to
20 the Board -- I realize it can't be done in Mexico. But it
21 can be done right across the street on the U.S. side
22 interacting with the Mexican authority, with Mexican
23 entrepreneurs, with Mexican municipal or State governments
24 to get them up to speed on what it takes to develop an
25 infrastructure for market development and proper tire

1 management.

2 If all you're going to do is study where the
3 problems are, you'll be very educated and you'll know
4 where the fires are going to happen. But that doesn't
5 solve anybody's problems. I think you talk about
6 stewardship, California has the resources. And I would
7 suggest probably has some responsibility in helping to
8 train their Mexican counterparts and the Mexico business
9 community on developing a thriving scrap tire industry.
10 It can be done. And I think we can certainly assist in
11 that.

12 There are a number of other players that can be
13 brought into this. And it can be done in a way that you
14 will not do anything counter to what your limitations are
15 about where you can spend money and where you can have
16 meetings. But I would strongly advocate putting money
17 into the budget for these type of market development
18 training programs.

19 BRANCH MANAGER DELMAGE: Just a quick follow up.
20 Earlier I said we're doing quite a bit with the border on
21 our own and as statute requires as well. And we're
22 covering all those as well. We do have a contract with
23 the City of San Diego right now doing many of the things
24 you're talking about, working with their counterparts in
25 Mexico on the San Diego side. We have staff assigned to

1 Border 2012, other staff assigned to work with RCC on this
2 issue and also with Region 9. So we're very interested in
3 the border. I would be interested if you could maybe
4 write something up and send it to us for your suggestions
5 for how we can further that in the next version of the
6 Five-Year Plan.

7 MR. BLUMENTHAL: When will the next version be?

8 BRANCH MANAGER DELMAGE: We'll have the meeting
9 on the 24th of October in Diamond Bar. But the one that
10 we'll be bringing the draft for will be January 18th. So
11 sometime between now and the 18th we could look at your
12 suggestions and talk about incorporating them into the
13 next version of the Five-Year Plan. So January 18th is
14 the main one.

15 MR. BLUMENTHAL: I'll have to change another
16 meeting to attend. The 18th meeting will be here?

17 BRANCH MANAGER DELMAGE: Yes.

18 SUPERVISOR TURNER: I just want to mention the
19 contract or the grant that Mitch just mentioned, Lillian
20 is managing that. And there is a pretty strong education
21 element to it. So you might want to talk to Lillian about
22 what they're already doing, and that's something maybe we
23 can expand on.

24 DEPUTY DIRECTOR LEE: Michael, I just wanted to
25 say -- this is Jim Lee.

1 MR. BLUMENTHAL: I know who you are.

2 DEPUTY DIRECTOR LEE: For the record.

3 If you have some specific proposals there you
4 want to flush out, Mitch has already told you we're
5 working on a couple of those areas. But if you have some
6 proposals to flush that out and get it to us before the
7 18th, we want to have a draft plan to present and discuss,
8 so we'd like obviously to have time to think about this
9 and work with you and other interested stakeholders.

10 MR. BLUMENTHAL: I would like to get a copy of
11 what projects you are currently working on so I don't
12 reinvent the wheel.

13 Moving down the line here, civil engineering
14 applications, yeah, I think it's important to get the
15 information out. I do agree California is not using a lot
16 of tires in civil engineering applications. I think you
17 have ample opportunities to get that. It does come down
18 to education. So that's fine.

19 Tire-derived product testing and certification I
20 think is a critical component. I think it also needs to
21 be expanded. It has to look into what the obstacles are.
22 It's not just doing the testing so you can sell a product
23 to Caltrans. I think there are national issues out there.
24 I think looking at can you sell a product to a playground
25 and have it meet ADA specifications? How would you have

1 to design a product to meet ADA specifications? Very
2 important. That is coming down the pike, and I think
3 there are enough stakeholders here to echo these concerns
4 that this can be a major obstacle out there.

5 And I think it's good not just for the processors
6 here, not just for industry here, but across the board.
7 But I think that is a critical issue, because each and
8 every company is going to run into these walls at some
9 point in time. So if you have this type of information, I
10 think it serves the industry well. And I think that's the
11 way that part should go. Not just to sell to Caltrans. I
12 think that puts all your tires into one basket. And I
13 think you need to expand where the potential markets are
14 as well as to find out what the potential problems are and
15 address those.

16 Generation and diversion data study. I'd like to
17 find out who's actually working on that and can we get a
18 copy of what their plan is? The reason for this is we've
19 done a lot of the research already, and I think it would
20 help to make sure -- to keep the focus on what's really
21 out there. So if you could tell me who is actually
22 working on that.

23 BRANCH MANAGER DELMAGE: Boxing is the contract
24 manager, and he's with Sacramento State.

25 MR. BLUMENTHAL: I will be talking to Boxing and

1 find out from Sacramento State and find out who the person
2 is and get ahold of them.

3 Identifying market demand for tire-derived
4 products as part of the BAP I think is on the surface
5 somewhat naive. I think we know what the major products
6 are. I think there's a fairly good understanding of what
7 is currently being made out of recyclable rubber. The
8 issues are not so much what can be sold or what is
9 selling, but what is holding up the sales. What are the
10 obstacles out there in the marketplace? This is what all
11 the companies have to deal with.

12 And I think there are enough obstacles out there
13 to keep, you know -- first, to identify with the \$250,000,
14 but then a nice follow-up would be how do we overcome.
15 What information do we need? What form do we need it in?
16 And who do we need to get it to to remove the obstacles.
17 And I think this is something that has not been done here.
18 I think that there are reports that have been done before
19 that are pointing out here shortcomings in the industry
20 and that the decisions have not been made to do the second
21 level investigations.

22 Case in point, you did a very nice study on fluff
23 and wire from processing tires. Excellent study. We have
24 it on our website. We recommended it highly. It's a good
25 study. It pointed out what some of the problems are faced

1 by the processors. Would it not make sense to say okay we
2 understand the problem with how the wire -- how clean the
3 wire has to be and where the potential markets are.
4 There's no real market for the fluff. Why wouldn't --
5 this isn't the first time I've mentioned this. What was
6 wrong with doing a study to say what can be done with the
7 fluff? It's going to help all the processors and it's
8 going to reduce the amount of waste going to your
9 landfills, because where does tire shredder residue go?
10 It goes to the landfill. How much is that of the tire?
11 Well, depends on the efficiency of the processor and the
12 product material which they're making. Can be as low as
13 15 percent. Can be as high as 30 percent.
14 If your goal is to reduce waste to the landfill,
15 this is a marvelous opportunity to address a very
16 significant portion of that waste that goes to the
17 landfill, as well as do all your processors a big favor in
18 making their operations that much more economical. So you
19 don't have to spend money sending stuff to the landfill.
20 That's a savings right there. If they can find a market
21 for this material and sell it, even give it away, there's
22 an avoided cost. That's going to make them and the
23 industry that much more self-sustaining. There's never
24 been follow up. And these are the kind of things that are
25 going to help the industry.

1 So looking at, you know, what the demand for the
2 products are, that's fine. That's part of -- you know
3 what? Every company making these products should have
4 done that. Now, when I went to business school and we had
5 to create a business plan, potential market demand was one
6 of the first things we had to look at. Is anybody out
7 there going to buy the material we're buying. What
8 distinguished my stuff from the competitors? That's part
9 of a business plan. That should have been done.

10 This should go to the next level. Once we have
11 products out there, what are the obstacles that hurt
12 everybody's products and what can be done to make this
13 system more efficient, do the next level projects.

14 So just to identify things. I think it's a nice
15 study. But in a year it's going to be out of date. It's
16 not going to help the industry for long-term market
17 planning. It's not going to help sell more products.
18 It's going to be something that's out of date before it's
19 even published so --

20 BRANCH MANAGER DELMAGE: Well, the identifying
21 market demand rolled into -- that function rolled into the
22 Business Assistance Program. And you know, that's part of
23 what they'll be doing as they work with the 19 companies
24 that are in the process right now.

25 So where this came from actually is exactly what

1 you're talking about. We had a company out there that was
2 making a product that hadn't been made out of rubber
3 before but could be made out of rubber, and they made it.
4 And then they had to get it through the Caltrans process
5 of testing and certification. The lab closed. They had a
6 product ready to go. It was being used in other states.
7 And that's why we last go-round decided that testing and
8 certification was important.

9 And then that also brought up the idea, and we
10 had the famous duo Scott and you getting together agreeing
11 on something that was find a product that's being made out
12 of something else, could be made out of rubber, and you
13 know, help them to start making that product.

14 And that's what this is all about. And hopefully
15 through the BAP we can work that into the existing
16 infrastructure. You know, one of the products that is
17 coming out now, the road cones, the base, is made out of
18 tire rubber. If they hadn't been doing that before.
19 There's a product out of I think Arizona, Rumber, where
20 it's kind of --

21 MR. BLUMENTHAL: Texas.

22 BRANCH MANAGER DELMAGE: Texas. Okay. Sorry.
23 I'd like to see that brought to California. So hopefully
24 by folding this into the existing Business Assistance
25 Program we can address the very issues that you're

1 bringing up.

2 MR. BLUMENTHAL: The question I had. If this is
3 already going to be part of what the BAP is doing, is this
4 just more money for what they're already doing?

5 BRANCH MANAGER DELMAGE: Actually, the function
6 went without the money.

7 MR. BLUMENTHAL: The function went without the
8 money.

9 BRANCH MANAGER DELMAGE: The money is for the
10 reallocation. The money is available for reallocation.

11 MR. BLUMENTHAL: Okay. So why don't you
12 reallocate that for -- when you've identified what the
13 obstacles, and then the money can be used to address these
14 obstacles are: The tire fluff and wire study, the ADA
15 problems that loose fill is now facing, all of the
16 concerns about health impacts, leachate. This information
17 already -- a lot of this information already is out on the
18 Internet. It's out in the real world. To pull together
19 in a form that people have some confidence in from the
20 State agency certainly would go a long way to addressing
21 the major concerns that hold back the marketplace, that
22 use so much energy and time from the business people
23 trying to sell these products, they can't do what they
24 would normally have to do. You would make their day.

25 BRANCH MANAGER DELMAGE: Ed is going to respond

1 to that. We need to get him a microphone.

2 MR. BOISEN: Thank you. This is Ed Boisen with
3 RW Beck. We're managing the Business Assistance Program
4 that's been discussed.

5 I just wanted to mention a couple of things. In
6 August at the tires interested parties meeting -- many of
7 you were there. I think you were there, Mike. We talked
8 about a number of possible initiatives that can be
9 conducted under that program that would address many of
10 the things that were just discussed.

11 My understanding, and Mitch and Frank, you may
12 want to comment on this, is that we're now planning on
13 going to the Board in November with a specific proposal, a
14 package of specific projects that can be undertaken. And
15 they potentially could involve I think many of these.

16 There's a question that I have, and I'll be
17 meeting with Calvin next week on this, is an ongoing
18 question how do we best coordinate with everything that's
19 going on. But for example, looking at specifically
20 obstacles to market expansion and specifically what the
21 opportunities are and how to pursue them in California to
22 me is very closely related to the market analysis that was
23 mentioned. I think that's definitely on the radar screen.
24 And then the ADA issue as well. And so I guess my main
25 point is just there is this venue for getting a little

1 more specific about how the Business Assistance Program
2 can address these issues. And I'm sure they'll be
3 discussed in public forums over the next couple months.

4 MR. BLUMENTHAL: Is this a Special Waste meeting
5 or Board meeting?

6 BRANCH MANAGER DELMAGE: The primary discussions
7 will be the Special Waste Committee.

8 Terry.

9 MR. LEVEILLE: Just follow up on the tire-derived
10 product testing and certification, which I believe you
11 said was incorporated into the BAP as well. When you do
12 that with your draft that you're going to present to the
13 Board in January, are you going to take that line item out
14 of research and you know just include it into the
15 description of the BAP program and maybe add the money in,
16 the BAP money in the program?

17 BRANCH MANAGER DELMAGE: I'm not sure how we'll
18 do the money, because the money had already been added
19 there. And the BAP program through this contract is
20 already in place. The money has been allocated. So that
21 part will stay the same. Where the BAP program goes from
22 here is something that we need to sit down and think
23 about.

24 MR. LEVEILLE: Well, it avoids confusion when
25 you've got one item and -- or creates confusion when

1 you've got the BAP program and then you're incorporating
2 different line items from different projects and --

3 BRANCH MANAGER DELMAGE: We will clean that up.

4 MR. LEVEILLE: Okay. Thank you.

5 BRANCH MANAGER DELMAGE: Michael.

6 MR. BLUMENTHAL: Mitch, earlier in your
7 discussion, you said there are other resources that you
8 have taken advantage of. Other resources that your staff
9 has taken advantage of.

10 BRANCH MANAGER DELMAGE: Refresh my memory. It
11 was when we were discussing what?

12 MR. BLUMENTHAL: At the beginning when you
13 introduced this topic, this section.

14 BRANCH MANAGER DELMAGE: What I was talking about
15 with respect to that is for instance under border outreach
16 activity, we're just talking about in this particular
17 element the study that San Diego is doing. However, the
18 border issue is broader than that, and it's pulling
19 resources from other elements, enforcement, surveillance,
20 from the market, from CHP. You know, from throughout this
21 Five-Year Plan, we're throwing dollars and people at the
22 border issue.

23 MR. BLUMENTHAL: And just to close the circle,
24 for the market development, you reminded the audience of
25 when Scott and I got up there talking about getting more

1 products of -- more recyclable materials into higher value
2 added materials products.

3 I'm pleased to announce that the RMA and Clemson
4 University is going to be having a workshop conference in
5 April of next year in Charleston, South Carolina on the
6 use of recyclable rubber in thermoplastic elastomers.
7 That means plastics as well as rubber into products, both
8 molded, extruded, and bound products.

9 Now, I know that you're very interested in this.
10 I also know that you don't have any money to -- you can't
11 send anybody there to attend it because of the travel
12 restrictions. And you can't be a sponsor, because it's an
13 out-of-state project. But it certainly would be an
14 excellent opportunity to take advantage of since probably
15 within nine months you're going to be at the same point
16 where you're going to want to do this stuff. But we're
17 going to have the conference. We're moving ahead with the
18 exact thing we had talked about March of last year looking
19 at the thermoplastic elastomer market using recyclable
20 rubber as a component.

21 BRANCH MANAGER DELMAGE: This is April 2007?

22 MR. BLUMENTHAL: April 2007. Probably can give
23 you a date. April 16th and 17th.

24 BRANCH MANAGER DELMAGE: In Charleston?

25 MR. BLUMENTHAL: Charleston, one of the finer

1 towns in all of the United States at the historic Francis
2 Marion Hotel on King Street. If anybody here knows
3 Charleston, that's a real nice place to be.

4 SUPERVISOR FUJII: Is that like an Indian casino?

5 MR. BLUMENTHAL: No. You don't need casinos.

6 BRANCH MANAGER DELMAGE: Any other questions on
7 research?

8 Okay. We'll move into the big one, markets.

9 Frank will take over.

10 SUPERVISOR SIMPSON: Okay. We'll try to get
11 through this fairly rapidly so you all can have your lunch
12 break.

13 The National Product Steward sponsorship for
14 tires, that was split funded with the E-Waste Program this
15 year. The social marketing campaign to promote
16 sustainable practices, that was a follow-up on the tire
17 care survey conducted by California State University and
18 the State University of San Marcos Foundation. The social
19 marketing campaign will develop a non-traditional media
20 campaign based whole and part on techniques developed to
21 reach the underserved minority communities, and that's
22 what we commonly refer to as Ogilvey II. The campaign is
23 being handled by Ogilvey Public Relations Worldwide and
24 the Board's Office of Public Affairs.

25 The tire-derived product grants replaced the

1 grant for the playground cover and for track and other
2 recreational surfacing programs by providing funds based
3 on the number of California tires used. This new grant
4 program involves a streamlined grant process. Local
5 government entities submit applications used to determine
6 the grant eligibility, and it's based on whether the
7 applicant is an official government entity authorized to
8 purchase products for the jurisdiction in which it is
9 located.

10 Now, it's important to remember that the Board
11 has not yet considered the issue of whether or not a
12 jurisdiction may contribute to the cost of the materials
13 for a project to be done under the TB grant. The Board
14 will decide that, whether they'll be allowed to supplement
15 that amount by paying any cost per tire in excess of the
16 cap. And that will be at the October Board meeting.

17 The Tire Business Assistance Program. And this
18 is a brand-new program that we're especially fond of.
19 It's well on its way to achieving success. The BAP is
20 designed to increase the demand for tire-derived products
21 by building capacity and improving cost efficiencies of
22 tire-derived product businesses. The business owners have
23 built their business and are running them, but many lack
24 experience in very critical areas such as marketing or
25 business plans.

1 So we have four years in which we're
2 capitalizing, which is to evaluate and improve their
3 business plan operations, enhance marketing efforts, test
4 and certify new products, which Michael by the way in all
5 19 businesses that we visited, it was amazing how many of
6 those folks really needed the product testing and
7 certification. And as part of the RW Beck contract,
8 Underwriter Labs is going to be helping us do a lot of
9 that. So we're very happy about that. The fourth
10 category is to purchase necessary equipment.

11 Now we've received 22 applications; 19 of them
12 were found to be eligible. And businesses have been
13 awarded \$1,767,000. Calvin is not here today because he's
14 at another conference.

15 The targeted outreach for tire-derived products,
16 this is part of a strategy to influence State and local
17 governments to increase the number of RAC and civil
18 engineering products in general to purchase tire-derived
19 products. And again this is what we call Ogilvy I. The
20 Board contracted with Ogilvy Public Relations Worldwide to
21 perform outreach tasks and coordinate other related
22 efforts designed to promote the use of RAC, TDA, and other
23 tire-derived products.

24 The support of other CIWMB market development
25 activities. This is a combination of various activities

1 including sustainable building, CalMAX, and
2 environmentally preferable and recycled products waste
3 reduction awards program and vehicle efficiency.
4 Implementation of these activities has been delayed in
5 part due to the West End Project postponement and I
6 think --

7 BRANCH MANAGER DELMAGE: Not all the projects
8 went forward this year. We should have about \$225,000
9 that will go into the reallocation process in February.

10 SUPERVISOR SIMPSON: And the tire forums, rather
11 than holding a traditional annual tire conference, we've
12 been holding workshops, forums, and training. These
13 events provide the attendees with updated information on
14 waste tire management processes. Now, this year was very
15 successful that we held in San Diego in conjunction with
16 RCC, which is the Resource Conservation Challenge
17 Conference, and we'll be doing many more of those in the
18 future.

19 The State agency partnerships to promote the use
20 of tire-derived products, this year's project was with the
21 California State Fair using a variety of things. We're
22 putting together another contract very soon. And we'll be
23 finalizing our venue for next season.

24 And then we have a few more for Bob.

25 SUPERVISOR FUJII: I'm going to be covering all

1 of the RAC related items in the markets section. And the
2 first ones are the RAC grants. And under the Board's RAC
3 program, there are two grant offerings that are used to
4 promote the use of RAC. First is the Targeted RAC
5 Incentive Program, and the other one is the targeted
6 RAC -- Continuation of RAC Use Grant Program.

7 Let me talk briefly about our Targeted RAC
8 Incentive Grant Program. This program, it's focused at
9 the first time users of RAC and involves incentive grants
10 to influence local governments, agencies to use it. In
11 addition, the Board provides RAC technical assistance
12 through our RAC expert MACTEC to assist local governments
13 and to a certain extent Caltrans also.

14 In 05-06, just over \$3.6 million was allocated to
15 this program. During that year, the Board awarded 24
16 grants using the entire allocation. In fiscal year 06-07,
17 just over \$2.4 million has been allocated to this program.
18 And to date, the Board's awarded 13 grants using
19 essentially the balance of all this year's allocation.
20 But we'll be seeking additional funding for this program
21 at our October 2006 Board meeting. Staff will be
22 recommending similar funding for this program in the
23 Five-Year Plan.

24 The continuation of the RAC Use Grant Program,
25 this program is similar in scope to the grants provided

1 through the SB 1346 legislation, the Kuehl bill, which
2 sunsetted in January 1st, 2006. With some minor
3 revisions, the recently signed SB 369 legislation, the
4 Simitian bill extended the requirements of the SB 1346
5 legislation.

6 Under the Kuehl bill program, grants are awarded
7 to local governments for partial reimbursement for RAC
8 paving project. The same concept will continue under this
9 program. However, we will have the ability to set
10 criteria to address changing market issues while still
11 satisfying the requirements of the Simitian bill.

12 For fiscal year 05-06, approximately \$1.7
13 million was allocated to this program. During that year,
14 the Board awarded 44 grants and we used the entire \$1.7
15 million allocation.

16 In the current fiscal year 06-07, \$1.5 million
17 was allocated. We'll be doing a grant criteria item in
18 October and expect to have the NOFA on the street sometime
19 shortly after that and doing awards sometime in the
20 spring. Staff will be recommending similar funding for
21 this program in the new Five-Year Plan.

22 And let me just touch briefly on the rubberized
23 asphalt concrete technology centers line item. The
24 Board's embarked on a statewide marketing effort to
25 promote the use of recycled materials by local

1 governments, as Frank mentioned, through the Ogilvy
2 contract in conjunction with our experts in the RAC field
3 to try to promote the use of RAC.

4 This effort has reduced the role of the RAC Tec
5 Centers somewhat, but we still feel there is a valuable
6 technical resource for RAC in coordinating with the local
7 government stakeholders. So the Board has entered into
8 two contracts: One with the Los Angeles County, the other
9 with Sacramento County to utilize RAC expertise. The Tec
10 Centers are located in Los Angeles and in Sacramento and
11 will continue to provide the statewide technical
12 assistance to them and then on an as-needed basis on our
13 statewide campaign to promote RAC with our contractor
14 MACTEC and also with Ogilvy.

15 For fiscal years 06-07, \$350,000 was allocated in
16 the Five-Year Plan for this program. We will not be using
17 all of those funds. I think the two projects we've
18 awarded this year are for \$50,000 to each of the L.A. and
19 Sac County contracts. And so based on the reduced role of
20 our Tec Center partners, we probably will be recommending
21 a reduced amount of funding in the new Five-Year Plan.

22 And then the last area I want to talk about is
23 our civil engineering grants and contracts. Under this
24 program, we'll continue to support the Board's efforts to
25 promote the use of TDA by awarding contracts and grants

1 that are used for construction management oversight,
2 materials, and other costs associated with TDA projects.
3 This program will continue to target projects in which TDA
4 is used in applications such as lightweight fill, landfill
5 gas collection at landfills, drainage layers, erosion
6 control, vibration dampening layers, and light rail
7 applications.

8 And then in the current fiscal year 06-07, \$1.5
9 million was allocated in the Five-Year Plan for this
10 program. We will be proposing a similar amount of funding
11 in the new Five-Year Plan to continue our efforts in this
12 area.

13 And that about covers my stuff.

14 BRANCH MANAGER DELMAGE: All right. Any
15 questions on markets? Okay.

16 MR. SMITHLINE: Hi. Scott Smithline,
17 Californians Against Waste. I've asked this question
18 before, and I think I'll just continue to ask it. The
19 funding under this section pursuant to PRC 40289 is
20 supposed to reflect the waste tire in statute. And there
21 never seems to be allocations for source reduction. And I
22 don't know if that's just a practical challenge that you
23 guys face. But I would like to hear your response on that
24 issue.

25 BRANCH MANAGER DELMAGE: Okay. On source

1 reduction, actually the social marketing campaign, the
2 primary message of that is going to be buy longer live
3 tires, you know, take better care of your tires. And so
4 that I view as a source reduction effort and a very
5 important one.

6 MR. SMITHLINE: Agreed. But you certainly
7 couldn't look at this budget and say that the expenditures
8 reflect the hierarchy as the statute. That's a \$300,000
9 line item out of a \$12 million budget.

10 DEPUTY DIRECTOR LEE: What additions would you
11 like to suggest, Scott?

12 MR. SMITHLINE: You know, that's a really good
13 question. And I think it's an important one, and I think
14 there is no easy answer. And that's sort of why I'm
15 asking the question.

16 We're very focused on products and markets, as we
17 should be. But I don't want to forget the source
18 reduction priority that was in the legislation. And you
19 know, I don't -- there are no easy answers to that
20 question, because ultimately it requires sitting down with
21 the tire manufacturers and, you know, figuring out a way
22 to source reduce products. But the tire manufacturers
23 have to be brought to the table for that conversation to
24 happen. But I don't think we can give up on that effort,
25 and I don't hear us talking about it.

1 BRANCH MANAGER DELMAGE: Let me ask -- maybe I'm
2 thinking in old terms of what source reduction is. But
3 you're thinking more how tires are made as being --

4 MR. SMITHLINE: Well, I mean, source reduction --
5 what are you thinking?

6 BRANCH MANAGER DELMAGE: For me, source reduction
7 when 939 came out was about not creating the waste in the
8 first place. I think as long as we have cars and they
9 operate on tires, we're going to have the issue. It's not
10 like less packaging or, you know, some of the other issues
11 we dealt with with source reduction. Now, the tweel, for
12 instance, is I think a step in that direction. There will
13 be a lot less rubber involved, a lot less to deal with.

14 MR. SMITHLINE: Again, you're highlighting there
15 is no easy answer to this question. My point is I don't
16 feel like we're having the conversation enough. I don't
17 feel like there is pressure on the industry to source
18 reduce their product. I don't see why it's different than
19 the package. Yes, you know they're going to come back to
20 the table with safety, safety, safety. I'm not arguing we
21 should compromise safety. But I don't think that should
22 stop us from having the conversation.

23 I'm simply pointing out that the statute says
24 that these expenditures should reflect the hierarchy. The
25 number one item on the hierarchy is source reduction. And

1 I don't feel like we're having that conversation. I don't
2 feel like we're putting pressure on the industry. I don't
3 feel like we're coming up with ways to source reduce a
4 product that we're spending a lot of money on, a lot of
5 very detailed intricate programs to deal with the
6 ramification of it in the waste stream.

7 BRANCH MANAGER DELMAGE: Michael.

8 MR. BLUMENTHAL: As the industry representative,
9 let me take a swing at this.

10 When we first talk about source reduction, first
11 thing in my mind is making -- is having longer life tires
12 and secondly is tire care and maintenance. If we look at
13 the two major reasons why tires get scrapped, number one
14 are road hazards being out there. Brand-new tire -- half
15 the tires that get scrapped get scrapped because of road
16 damage. Okay, potholes, materials on the road. That's a
17 very interesting stat.

18 Second one is wear. And we're finding is most of
19 the tires are wearing out between three and four years.
20 We see some tires wear out in two years. But the wear
21 issue is a function of two things. One, how much tread
22 warranty is there on the tire. Number two, does the owner
23 maintain that tire? Do they check the rotation? Do they
24 check the air pressure? How are their shocks? How do
25 they drive? Which are the four major factors that effect

1 the longevity of the tire, and notwithstanding road
2 damage.

3 So we talk about reduction of the waste,
4 producing fewer scrap tires. Maintenance is certainly
5 number one. Number two is making sure you buy the right
6 kind of tire, the longer life tire. Three, basically
7 trying to improve the roads which is a major reason why
8 tires are scrapped in the first place.

9 So when we talk about reduction of material,
10 that's what comes to my mind. If Scott has different
11 ideas, talk to me and tell me what you have in mind. We
12 can take it from there.

13 But the programs that the Waste Board has been
14 talking about, tire care and maintenance, we've signed
15 onto, you know, for the last two or three years and been
16 saying as soon as you're ready, we have all the technical
17 materials. You can take our stuff and translate it into
18 16 different languages, and we're going to help you do the
19 PSAs. We're going to help you do the distribution. We're
20 going to tie our tire care and maintenance programs into
21 what you're going to be doing so that we can leverage your
22 resources and our resources, get this information out,
23 which will not only help to reduce the number of scrap
24 tires produced, but proper air inflation will also
25 increase gas mileage and decrease tailpipe emissions, all

1 of which are very important issues not just here in
2 California, but across the board. Certainly highlighted
3 here in California. So we're on board for all this stuff,
4 and we know the importance of tire care and maintenance.

5 BRANCH MANAGER DELMAGE: Can you talk to the
6 tweel? Because I saw that as being kind of a true source
7 reduction product coming out of the tire.

8 MR. BLUMENTHAL: Tweel is a new design for tires
9 made by Michelin Tire Company. It's passed the concept
10 stage. It's past prototype stage. It is used for low
11 impact vehicles right now.

12 The difference between a tweel and a conventional
13 tire is that there is no side wall on the tire itself.
14 You have the tread portion. You have the tread and
15 there's a little bit of the curve off of the tread that's
16 known as the shoulder of the tire. And then it basically
17 is a spoke and wheel as a support. So it looks something
18 like a high tech wagon wheel that can support the weight
19 of the vehicle and the dynamic forces of nature when the
20 tire turns. But the commercial production introduction of
21 the tweel into the passenger and light truck market is
22 probably five to seven, maybe ten years away. So it's
23 more of something that is coming down the road.

24 BRANCH MANAGER DELMAGE: And how much is it
25 reduced rubber wise?

1 MR. BLUMENTHAL: As far as materials are
2 concerned? Off the top of my head -- and we haven't done
3 a study on this. But I would say it's probably 75 percent
4 reduction. Maybe 70 percent reduction of materials.
5 Because basically all you have as far as rubber is
6 concerned is the tread portion. And you have no -- small
7 shoulder, no apex, no chaffer, certainly no sidewalls,
8 which -- so that is something that is off -- that is in
9 the offing.

10 The other reduction that we're having is
11 something called run flat tires, which are smaller than
12 conventional tires. Do not need air to maintain them,
13 which goes into everything I talked about. But basically
14 the run flat tires are designed for enhanced safety as
15 well as not needing a spare tire in the vehicle. So you
16 only need four tires instead of five. You reduce the
17 weight of the car by 25 pounds and the number of tires you
18 have out there by 20 percent. But it has once again less
19 rubber and more metal and urethane support systems to hold
20 the tire in place.

21 So that's something else that's come -- and those
22 are on the market. Those are gradually becoming accepted.
23 We're now seeing them on original equipment tires, which
24 is very interesting for the auto manufacturers since it's
25 one less tire and 25 pounds less weight and no jack needed

1 in the car. So it reduces the car weight as well. May
2 not have any impact on the price of the car, but I can't
3 go there.

4 DEPUTY DIRECTOR LEE: Michael, one question on
5 that. What about the life of those run flat tires?

6 MR. BLUMENTHAL: There are two types of tires out
7 there. You have the original equipment tire and the
8 replacement tire. It's an important distinction.

9 The original equipment tire is made specifically
10 for the auto manufacturer and typically is lighter than
11 the replacement tire, the same make, model, brand number,
12 everything else. Because the original equipment tire is
13 designed to help the auto manufacturers comply with
14 corporate average fuel economy requirements. The typical
15 warranty tread life on an original equipment tire from
16 U.S. manufacturers is about 45,000 miles, which is
17 probably double what it was ten years ago. You can get
18 the replacement tire which has a longer tread life
19 warranty on it but lower rolling resistance on it. There
20 is a distinct trade off between the two.

21 So original equipment tires have a design
22 purpose. They are designed to go 45,000 miles. There is
23 no question about safety. Safety is a given. But they do
24 tend to be a few pounds lighter than the replacement tire
25 that would be used after that tire is worn out or damaged.

1 DEPUTY DIRECTOR LEE: Michael, would you comment
2 on the issue about the growing preference of the public
3 for low profile, high performance tires, what percentage
4 of the marketplace they currently occupy and about the
5 life of those tires.

6 MR. BLUMENTHAL: Low aspect radial tires are a
7 fairly recent addition to the selection of potential tires
8 out there. I cannot tell you what the percentage of those
9 tires are in the marketplace. That is beyond my area of
10 knowledge. I don't follow that aspect of the industry.
11 They typically are high performance tires. You find them
12 on your higher performance vehicles, on your SUVs. They
13 can range anywhere from a 13 inch up to 27 inch diameter.
14 Lot of hub, little bit of tire. They are high tech. They
15 are high speed.

16 Personally, I do not like them. But I don't buy
17 them. But they are very good on highway performance
18 tires. They give a much better performance on turning
19 radius. But I can't tell you about their percentage in
20 the marketplace. And once again there's the division
21 between original equipment tires and replacement tires.

22 BRANCH MANAGER DELMAGE: And they are less
23 rubber.

24 MR. BLUMENTHAL: Oh, there is a lot less rubber.
25 Very little sidewall on them. This is source reduction

1 certainly. It does give the tire processors more problems
2 cutting the tire up, but it's not insurmountable. But
3 certainly there's less rubber in it. It's more expensive
4 rubber, but certainly less cost. There's less actual
5 poundage in those tires. But I can't tell you how much is
6 out there.

7 BRANCH MANAGER DELMAGE: Scott.

8 MR. SMITHLINE: This is a very interesting
9 conversation, but it doesn't get to the point of my
10 critique, really. So I want to reiterate which is I don't
11 see the Board pushing these domestic tire manufacturers on
12 this issue. I don't see that as a priority in this
13 budget. And this is an interesting conversation, and it's
14 always interesting to hear Michael bring us up to speed on
15 the latest and greatest that the tire manufacturers are
16 independently creating.

17 But whether it's tires or plastic bags, every
18 industry is trying to please the consumer. Plastic bag
19 people tell us we can't put recycled content in because
20 the consumer doesn't want it. It's not the right color.
21 It doesn't perform right. Mr. Blumenthal will tell us
22 they can't do it because there are safety concerns.

23 And I don't know what the deal is with these high
24 performance low profile tires. I don't know if they last
25 as long. I don't know anything about it. But I think

1 that's the problem. I don't see the Board putting
2 pressure on these manufacturers to source reduce their
3 product like we would every other industry in the state of
4 California.

5 BRANCH MANAGER DELMAGE: Any suggestions on what
6 that might look like or what we can add to? That's what
7 these are for, so that we can get that kind of input.

8 MR. SMITHLINE: I'm not sure exactly what you're
9 asking me.

10 BRANCH MANAGER DELMAGE: Well, I guess what I'm
11 saying is I'm not sure in what areas that we would
12 pressure the industry.

13 MR. SMITHLINE: You could ask them how much
14 rubber is in a tire now. How much rubber was in a tire
15 20 years ago? Is it the same amount? Is there less? Is
16 there a reason why there can't be less? I don't even have
17 the answers. Maybe you already do know those basic
18 questions.

19 BRANCH MANAGER DELMAGE: Okay. All right. Thank
20 you.

21 MR. BLUMENTHAL: Just a quick to answer Scott's
22 question.

23 The tire technology has changed over the last
24 20 years. Tire technology once upon a time used to be
25 bias ply tires. That was technology through the '50s and

1 into the early '60s. In the early '60s, the radial tire
2 got introduced in the marketplace and was the better
3 mousetrap. Radial tires last longer, perform better, and
4 were safer than the bias ply tires.

5 Today's market in the passenger light truck,
6 medium truck arena is virtually all radial tires. Not
7 only are they using less materials, tires are safer, and
8 they're lasting difference is between 10,000 miles and
9 80,000 miles. It's eight-fold. You have up to an
10 eight-fold increase in the life wear, in the tread wear of
11 a radial tire as opposed to bias ply tires.

12 So the tire technology today you're getting the
13 safest material possible, and the amount of mileage you
14 get on it is the consumer's choice. But if you want to go
15 for ultimate reduction, there are 80,000 mile warranties
16 out there on tread life. So as long as you make sure you
17 check your air pressure twice a month, rotate once a
18 month, you're in good shape. That is the number one way
19 to reduce.

20 As far as the history, even on original equipment
21 tires, the amount of wear on an OE tire is at least double
22 what it was ten years ago. In the open market, understand
23 the four for \$100 that you can buy, four tires for 100
24 bucks are not made by our members. These are off-shore
25 typically Asian manufactured, perhaps Russian manufactured

1 tires that come here very inexpensive. Our guys don't
2 make them. We don't sell them. It's a whole different
3 can of worms. We will not address that.

4 As far as the differences in the tires that our
5 manufacturers are making, the life expectancy has more
6 than doubled in the last ten years. And the performance
7 has gotten better too. Safety obviously is still a given
8 all the way around. So we can certainly have a longer
9 discussion about this if you would like.

10 The amount of rubber, tires have gotten lighter.
11 There's more steal in tires today than ten years ago. But
12 that steal takes the place of rubber. And the steal is
13 100 percent recyclable, which gets us into the whole
14 discussion of secondary study on processing tires to get
15 the steal into the scrap metals marketplace.

16 MS. DICKINSON: Each company wouldn't give out
17 their specific recipe.

18 MR. BLUMENTHAL: Recipe, no, that's not going to
19 happen.

20 I have some specific comments about the rest of
21 the budget.

22 BRANCH MANAGER DELMAGE: Hold on a second. Let's
23 see if there's any more questions about markets.

24 MR. LEVEILLE: Just a quicky. Is there any
25 reason why you don't combine the civil engineering grants

1 and contracts with the civil engineering in the research
2 section? Are they too different?

3 SUPERVISOR FUJII: You know, the simple answer is
4 they're doing two different things. One is our expert who
5 has the knowledge about the technology. In the markets
6 section, it's actually the ones who are actually assisting
7 us in constructing the projects themselves. So they serve
8 two different purposes. And arguably they possibly go one
9 or the other. But we do do a little more research with
10 our technical expert Dana Humphrey in the area of TDA
11 where we're investigating not only the developing designs
12 and that kind of thing, but we're looking at things like
13 water quality aspects of it.

14 And a lot of our uses are borne out of that
15 research area. The whole light rail application was borne
16 out of a research project and it turned into an actual TDA
17 type application. So they work kind of hand in hand. One
18 develops the ideas so to speak and assists in the design.
19 The other one actually does them. That's the simple way
20 of putting it.

21 BRANCH MANAGER DELMAGE: Terry, I know where
22 you're coming from. Looking at the Five-Year Plans,
23 things are spread all over. I mentioned it at the
24 beginning that as you had asked about resources for
25 border, it's not all in one place. We are stuck with the

1 way statute was written. Five-Year Plan has five
2 elements. We look at what a particular activity is, see
3 which element it best fits in, even though it may be
4 working in conjunction with something else in another
5 element.

6 So we're doing our best to -- and I would like in
7 this next version of the Five-Year Plan to show those
8 connections. You'll see in this one we talked about in
9 markets we added language that at various different
10 activities that it was being run in conjunction with
11 border 2012 or being run in conjunction with another
12 particular activity, within another element. We're going
13 to have more of those connections to try to tie the
14 various activities that are related, even if they're not
15 in the same element.

16 Yes, Michael.

17 MR. BLUMENTHAL: I have questions about the
18 allocation here.

19 The RMA are strong supporters of rubber asphalt
20 concrete. We think it's an excellent use of rubber to
21 enhance the properties and characteristics of the pavement
22 and makes for a smoother ride, a quieter ride, less splash
23 when it rains. And it rains in California occasionally.
24 It is a longer lasting road surface. All of the things
25 are very positive. We are strong supporters of it. And

1 we think that using the grants for the first time users of
2 RAC is a good idea.

3 However, you have at least a third of your budget
4 going to RAC, not including the money you're going to get
5 from the legislation, another \$5 million for RAC grants.
6 There are two items. Number one, if you look at the
7 amount of money this agency has spent on RAC grants over
8 the last five years, there's been a lot of money spent on
9 RAC. Number two, a lot of RAC is being used here in
10 California. Number three, there was supposed to be a
11 follow up on the effectiveness of these grants. Did it
12 make a difference to get them to use RAC? Would they use
13 RAC if the grant wasn't there? Are the characteristics of
14 RAC good enough that they sell themselves and don't need
15 the extra grant so they can use the money elsewhere?

16 I believe that probably 80 percent of the
17 municipalities using RAC with the grants would use RAC
18 without the grants. They spend a lot of money on this one
19 material. It's already been used across the state. It is
20 a pretty standard material. And it just seems that the
21 amount of money going for RAC probably is not going to
22 increase the amount of RAC that much. You're going to
23 have close to \$9 million a year spent on RAC related
24 projects. I think education is always good. Training
25 programs are always good. Technical assistance always is

1 good.

2 But you're giving out these grants that do two
3 things. One, it gives the impression that rubber asphalt
4 concrete is not economically viable in and of itself, that
5 we have to defend this around the country saying this is
6 California. They would buy it without it. But the
7 impression is you can't sell it without the subsidy. And
8 that is an unfortunate characteristic characterization of
9 this marketplace. We don't think that you're going to
10 have that much more RAC going in there. People would buy
11 RAC anyway. It's a great subsidy to the municipalities
12 without expanding the market. And with maintaining the
13 idea that you're just subsidizing the marketplace.

14 We would suggest scaling back these grants for
15 RAC usage, but maintain the technical training centers,
16 maintain the education programs, maintain the follow up
17 studies on what have you seen about it and get this
18 information and use that to create a report about the
19 longer wear of the wear course of the road. Is there any
20 noticeable decrease in noise? What about the splash
21 effect? Put this information together and get that out.
22 That will sell RAC faster than anything else. And it's
23 better for the public to know all these benefits are out
24 there as opposed to State welfare going to municipalities.

25 I mean, the RAC grants are redundant. You have a

1 lot of them, and the bang for the buck is probably
2 minimal. And you're eating into the crumb rubber supply
3 you're trying to get into the other products.

4 What we're seeing is that you're not diminishing
5 the number of tires going to landfills. You're
6 cannibalizing the ground rubber marketplace. So you make
7 it more difficult to have an adequate supply here in
8 state. So rather than the processors lowering their tip
9 fees to drag tires away from the landfill, they'll import
10 rubber from somewhere else because it's better for their
11 economics. You're not looking at this holistically.
12 You're looking at it piecemeal. This is not a one
13 dimensional issue.

14 And I know RAC is a very popular item here. But
15 it can stand on its own. It's a mature marketplace. And
16 the processors know it. The paving companies know it, and
17 the end users know it. And you're effecting the
18 marketplace in other ways that's hurting the marketplace.
19 These grants I think are unnecessary. And the money could
20 be used to deal with the other higher value added products
21 that you're working so hard on. That's number one.

22 Number two, on Ogilvy I and Ogilvy 2, once upon a
23 time we heard Ogilvy give a presentation that one of the
24 materials they were going to go around and basically try
25 to sell or inform municipalities about or DOTs about or

1 DPWs about was a pulp and paper byproduct mulch that can
2 be used in lieu of other materials. One of the other
3 materials that could be used in lieu of would be tire
4 mulch or other tire products that could be used in and
5 around roads, weed control, what have you. Is this
6 program still at cross purposes? This is question number
7 two.

8 And question number three here is on the
9 tire-derived product grants. Once again, where is the
10 follow-up? Where is the accountability? Where is the
11 follow-up sales after you give the grant? I know you're
12 supposed to do a study. You did one that was supposed to
13 be an ongoing process of understanding the effectiveness
14 of these grants. There are basically two possible
15 outcomes I see. One, is the best thing since Bass ale, we
16 love it. We're going to buy it. Thank you for the
17 ability to give us the ability to look at this and buy it
18 on our own. Or it's great. If you have the grant, we'll
19 apply for it. And if we get the grant, we'll buy it.
20 Otherwise, we'll go with something that doesn't cost as
21 much even though it's not as good as the rubber product.

22 To keep on giving money just to have these
23 projects out there with no accountability, no follow-up,
24 and no second phase projects seems once again like State
25 welfare. And it's more money going out without the

1 knowledge that this actually has created the
2 self-sustaining marketplace.

3 The example I used a couple of months ago was
4 what happened if tomorrow all your grant money was taken
5 away from you? What would happen to all these products?
6 With RAC, I'm sure it would thrive. With these other
7 products, I don't think you really know. And to say we're
8 going to be doing this study and that study, that's down
9 the road. I think you've been doing this long enough that
10 you should have some answers to know whether there have
11 been any follow-up sales, if they've changed their
12 attitude towards this. What are the issues that are still
13 out there. None of these reports have been made public if
14 they, indeed, exist.

15 Just giving grants out -- I know you have all
16 this money and you have to spend it somehow. But the idea
17 should be to create self-sustaining markets, not continual
18 State welfare programs. Thank you.

19 DEPUTY DIRECTOR LEE: I have a couple of
20 questions on that, Michael.

21 You indicated that in lieu of spending the amount
22 of money we're spending on RAC, we should spend it on
23 other higher value products. Which products are you
24 talking about?

25 MR. BLUMENTHAL: The higher value products are

1 all the other high end products: The mulch, playground
2 cover, sidewalks, molded, and extruded rubber products
3 that you're spending \$3.8 million on through the Business
4 Assistance Program. There's a limited amount of ground
5 rubber that is being produced here in the state. And I
6 know what you're thinking. Well, if there's more demand,
7 they're going to make more ground rubber. But we're not
8 seeing the number of tires not going to landfills and into
9 the supply chain for ground rubber. So that argument is
10 soft.

11 If you don't have as much -- if the rubber is
12 going for asphalt because of all of the price support for
13 the asphalt, there will be a limited supply for these
14 other value added products: Sidewalks, mulch, molded
15 products, extruded products, mats, what have you, that
16 you're spending money on for the BAP program working at
17 cross purposes. You're drawing from the same resource
18 pot. The same amount of ground rubber can only go to so
19 many markets. And then if you use that up, you'll be
20 pulling rubber in from Canada before you pull tires out of
21 landfills.

22 DEPUTY DIRECTOR LEE: So you're talking about
23 expanding the Business Assistance Program?

24 MR. BLUMENTHAL: Talking about getting the impact
25 of the Business Assistance Program. That has yet to be

1 filled. You're only in the preliminary stage. About a
2 year from now you should be in the process of having
3 contacted potential end users, people who are using virgin
4 polymers that can use the recyclable rubber. And you
5 should be trying to sell them that recyclable rubber. If
6 the supply is not there, then it makes it -- then why
7 bother having this market development program?

8 You know, once again, I think you're working at
9 cross purposes by having such a high level of activity on
10 RAC. And this -- I mean, RAC goes here. You've got three
11 million, two million. I mean, you got money going across
12 the board here, two million plus, five million coming from
13 the Legislature. That's \$7 million in grant money.
14 That's an awful lot of rubber going into the asphalt
15 industry. Not that it's not important. But what we're
16 trying to say is let the marketplace decide where the
17 rubber should go, not through grants.

18 DEPUTY DIRECTOR LEE: You're advocating no grant
19 programs at all?

20 MR. BLUMENTHAL: I would say the grant program
21 should be refocused. Instead of price supports to buy the
22 material, do what you are suggesting through the BAP
23 program. Work with the end users to create the demand for
24 the product that will sustain the marketplace.

25 DEPUTY DIRECTOR LEE: One final question. I

1 know, Michael, you've been to a lot of states, a lot of
2 different countries. What other states, what other
3 countries have you seen that are doing things that we
4 should incorporate to improve our program?

5 MR. BLUMENTHAL: I haven't been to that many
6 other countries. They don't let me out of the U.S.

7 The idea here -- unfortunately, there aren't that
8 many states that have done it this way. But the basic
9 programs, the State of Illinois had a program years ago
10 where they went to mat makers and said you're using pure
11 virgin rubber. There's a way -- we think a way to
12 incorporate recyclable rubber into your product. Here's a
13 grant for testing. So they went and did the testing.
14 They found out what it would take to make the transfer to
15 recyclable rubber. Then there was a second grant for the
16 modification to the equipment and to the process so they
17 could incorporate the ground rubber into the mat making
18 process. After that, the mat maker went out and bought
19 the rubber on the marketplace.

20 DEPUTY DIRECTOR LEE: Isn't that basically what
21 we're trying to do in the Business Assistance Program and
22 also the refinement of that to look at some industry wide
23 issues that perhaps could be addressed as well?

24 MR. BLUMENTHAL: That's exactly what we're hoping
25 gets done with the BAP program. The ability to increase

1 the demand through market forces, that is the goal. And I
2 think that is very good. But when you have the amount of
3 grants going for RAC, I think you're going to take away a
4 lot of the potential supply of ground rubber because of
5 the price support. It's not a level playing field.

6 I can just imagine the conversation you're going
7 to have a year from now when the manufacturers of ground
8 rubber who don't sell into the RAC market are here saying
9 we can't compete in the marketplace because RAC is getting
10 these grants and our products aren't.

11 BRANCH MANAGER DELMAGE: Well, let me start at
12 the third question. You had asked about accountability.
13 We've heard that over the years, and we've been building
14 up our ability to look at that accountability.

15 For instance, we did the survey this year and
16 called everybody that had gotten a grant through either
17 the track or the playground, the TDP program, and asked
18 them if they had indeed bought tire-derived products with
19 their own money outside of the grant program. And 45
20 percent had, which I think is pretty remarkable. Of the
21 55 who hadn't, 70 percent of them said that they were
22 considering purchasing these types of products in the near
23 future. So I feel that that's a pretty strong indication
24 that we are having an impact.

25 Additionally, from one of our Board members

1 asking about accountability again, we've incorporated into
2 all our grants that they have to report to us for a number
3 of years even after the grant time period is over so we
4 can see how these products are doing in the real world.
5 My personal goal is to wean us off slowly of all these
6 grant programs. I feel now it's still important -- even
7 in the RAC field, you know, there's still resistance out
8 there. So we still have a reason for these RAC grants.

9 I think that the tire-derived product grants are
10 working well and getting the concepts out. But what I'm
11 looking to expand to is the tire-derived product into the
12 public arena, residential, the Home Depots, that type of
13 thing. I think that we'll see a shift away from RAC to
14 TDA once that's a little more mature. There will be a lot
15 of tires being able to be diverted into that.

16 But again, all of these things are going to have
17 just like you said a fence on the marketplace. We've
18 already seen the crumb rubber market be impacted by RAC.
19 If TDA takes off, that will not only impact the
20 tire-derived fuel market, but it will impact the crumb
21 rubber market as well. But hopefully with BAP, with these
22 interactions that we have with the interested parties,
23 we'll be able to balance all those forces and eventually
24 get to the point where we don't have to give out grants,
25 that tires will become a commodity. And about that time,

1 I'm hoping we'll all shift to Maglev vehicles and have no
2 tires.

3 MR. BLUMENTHAL: Hopefully, it's more than seven
4 years from now so I won't have to worry about it.

5 BRANCH MANAGER DELMAGE: That one is 25 years.
6 But the second question you asked --

7 MR. BLUMENTHAL: Just let me before we get too
8 far afield.

9 I agree if you get the TDA market up there it
10 will take away whole tires for fuel. I believe that's
11 true.

12 Your comment about there's still obstacles and
13 issues with RAC, I believe that is true. Not as big a
14 problem here as elsewhere, but you have the technical
15 resource centers. You have Caltrans. You have a whole
16 stable full of experts and of reports and of resources
17 that could be applied rather than a grant. And if there
18 are technical problems, the grant simply coats the
19 surface. Oh, yeah. I have some problems, but you have to
20 give me 250 a ton for this. For 250 a ton, I can deal
21 with that. That to me is the wrong approach.

22 If there are technical issues, there are
23 obstacles, identify them. Address them. Let RAC sell
24 itself. The grants just keep on perpetuating the idea
25 this is not a self-sustainable material. And I have to

1 deal with 49 other states. And here in the state --
2 California is the biggest state that uses RAC. And it's
3 all subsidized. It's a hard argument to counter. They
4 know it can be done. It makes it more difficult. And it
5 doesn't address your long-term issues here. You know,
6 there are certain people if you don't give them money,
7 they're going to do whatever they want to do. Address the
8 technical issues and let RAC sell itself.

9 MS. DICKINSON: One way to track that is maybe do
10 a survey of the costs.

11 BRANCH MANAGER DELMAGE: You need a mike because
12 we're being broadcast.

13 MS. DICKINSON: Michael, if you have to deal with
14 49 states, do you think you could do a cost survey of the
15 cost of crumb? Because that is one way --

16 MR. BLUMENTHAL: We can't touch costs. As a
17 trend association, we can't -- by law, we don't do costs
18 of anything. I can't tell you what it costs for a pound
19 of ground rubber. I legally do not know. So cost
20 factors, we can't touch that.

21 Mitch, before I forget, glad to hear about that
22 follow-up survey. Make it public.

23 BRANCH MANAGER DELMAGE: It is public. It was in
24 the agenda item on the criteria for tire-derived products
25 in July. And it's on the transcript. We talked about it

1 as well. I don't think you were at that one.

2 MS. DICKINSON: It was during the Committee
3 meeting.

4 BRANCH MANAGER DELMAGE: And the transcripts go
5 into it.

6 MR. BLUMENTHAL: I'll have to go back and check.

7 BRANCH MANAGER DELMAGE: The number two question
8 you had, Ogilvy working at cross purposes, kind of goes
9 back to the first question when you talked about having a
10 holistic view. When this contract was funded with
11 Integrated Waste Management money, then it became, we
12 don't really care if you're using a secondary fiber
13 material or rubber. They're both things we're trying to
14 get used. So that's why those seem to be at cross
15 purposes. But from the bigger Board perspective, it's
16 pick one. We'd rather you pick one of these than some
17 other type of virgin product.

18 The number one question I think you and Jim
19 talked through okay.

20 Are there any other questions about the markets
21 stuff, because I can go into closing stuff and wrap this
22 up a little bit?

23 Okay. Just very quickly, the Five-Year Plan,
24 when I first heard that it was the Five-Year Plan that we
25 reviewed every two years and that we started reviewing it

1 the very next year I thought was kind of a silly idea.

2 --o0o--

3 BRANCH MANAGER DELMAGE: However, our discussions
4 when we go through this, this is the beginning of the
5 second one now, tells me that it is important. Because
6 you can make a Five-Year Plan, but things change. And
7 this gives us the opportunity to make those changes, to
8 make those corrections that new information may require.

9 The priorities that we've established reflect
10 what the Board members felt were important two years ago
11 when we went through this process before. So they
12 primarily had four priorities: Strengthening and
13 expanding markets for RAC, civil engineering, and
14 tire-derived products; expand enforcement and surveillance
15 program; cleanup and remediate the remaining tire piles;
16 and increase the useful life span of tires through product
17 stewardship initiatives and social marketing techniques.
18 So it is one of our priorities.

19 Through the social marketing contract that we
20 have in place, we will be getting to especially people
21 that speak a variety of languages, because these will be
22 available in up to twelve different languages to get that
23 message out. That's the primary waster of tires are the
24 consumers not checking them, you know, taking years off
25 their life span. So that's important.

1 We have the product stewardship initiative that
2 did not go forward.

3 So we have the four priorities. We'll revisit
4 them again now. Maybe we can change the priority of our
5 priorities. We have goals that we've established to
6 increase the diversion rate to 90 percent by 2015 to make
7 sure that we inspect 100 percent of all the facilities out
8 there, eliminate any identified illegal tire piles by
9 2010, and reduce the number of tires generated by
10 Californians from the current 1.1 to .75 per year by 2015.
11 So again this goes along with the source reduction effort.
12 And it goes beyond maintaining your tires, buying longer
13 live tires.

14 I'm looking through this program to partner with
15 others that would move more people toward public
16 transportation. That will make tires last longer. There
17 are a number of things that we can do.

18 But this is the beginning of the process. Any
19 ideas that you have for the next version, anything that
20 you don't like, please let us know. We have the
21 transcripts from this meeting. But getting an e-mail with
22 your thoughts lined out for us would be helpful to us.

23 And we'll be doing the same thing in Diamond Bar
24 next month. And then on the 18th, we'll bring back our
25 first version and talk about what we think the next

1 Five-Year Plan should look like.

2 Yes, sir.

3 MR. BLUMENTHAL: Do you have an idea is the March
4 meeting going to be in Sacramento also?

5 BRANCH MANAGER DELMAGE: Yes.

6 MR. BLUMENTHAL: You have no idea when it's going
7 to be yet?

8 BRANCH MANAGER DELMAGE: We're still looking for
9 a room.

10 Any other questions?

11 Sally, do you have anything you wanted to do?

12 MS. FRENCH: No. There's contract information.

13 BRANCH MANAGER DELMAGE: All right. Well, with
14 that, I guess we can call it a day.

15 (Thereupon the California Integrated Waste
16 Management Board, Five-Year Plan Workshop
17 adjourned at 12:50 p.m.)

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1 CERTIFICATE OF REPORTER

2 I, TIFFANY C. KRAFT, a Certified Shorthand
3 Reporter of the State of California, and Registered
4 Professional Reporter, do hereby certify:

5 That I am a disinterested person herein; that the
6 foregoing hearing was reported in shorthand by me,
7 Tiffany C. Kraft, a Certified Shorthand Reporter of the
8 State of California, and thereafter transcribed into
9 typewriting.

10 I further certify that I am not of counsel or
11 attorney for any of the parties to said hearing nor in any
12 way interested in the outcome of said hearing.

13 IN WITNESS WHEREOF, I have hereunto set my hand
14 this 11th day October, 2006.

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